

PEOPLE

with African Romance... on-off romance across the... color barrier, between...

more than 400 works will be... ed over to France in lieu...

Officials in the California... of Coachella are enthus...

AUTOS TAX FREE... FOR MORE THAN 12 YEAR...

TRASCOS... TRASCOS GERMANY... TRASCOS ITALY...

LEGAL SERVICES... DOMINICAN ATTORNEY... HOLIDAYS & TRAVEL...

EDUCATION... Recruitment of Student... for New Year...

Page 6 FOR MORE CLASSIFIEDS

The Global Newspaper Edited and Published in Paris. Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami, Rome, Tokyo.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post PARIS, WEDNESDAY, FEBRUARY 3, 1988

Table with exchange rates for various currencies including Alpha, ACP, and others.

New Ban On Press In Russia

Decision Outlaws Co-ops to Protect State Monopoly

By Bill Keller... MOSCOW—Soviet authorities, in an effort to protect the state monopoly on books, magazines and newspapers, have ordered a halt to the creation of independent publishing and printing cooperatives.

The decision has cut short moves in several Soviet cities to establish legal but independent publishing houses that would bring out limited editions of works not accepted by the state publishing committee.

The instructions were issued Oct. 23 by the Council of Ministers, the main government administrative body, but have not been published in the official press. A copy of the order was obtained by an unofficial magazine called Glasnost.

"It is completely unacceptable that in a number of cities and other population centers cooperatives are being created for the showing of video films," says the order, signed by Prime Minister Nikolai Ryzhkov.

The ban on cooperative publishing came as a surprise, since the official Soviet press reported last year that a number of groups, taking advantage of new laws authorizing establishment of cooperative businesses, had already applied to...

General News... Portugal is seeking increased U.S. aid for the use of air bases in the Azores. Page 3.

Business/Finance... Corporations rather than raiders are leading the new U.S. takeover wave. Page 7.



School boys in Gaza City passing Israeli soldiers Tuesday in the occupied Gaza Strip. On the West Bank, schools were ordered closed.

Israel Orders West Bank Schools Closed

By Francis X. Clines... JERUSALEM—The Israeli authorities ordered the closure Tuesday of a number of Palestinian schools and universities on the occupied West Bank, a day after an attempt to reopen them failed because of continuing unrest.

As Palestinian street protests neared the two-month mark, Israeli officials predicted a long confrontation. They said they were prepared to keep large military contingents near the two-month mark.

"A majority of the Arab population sympathizes with the policy of violent confrontation and feels that the national aspirations of the Palestinian Arabs are advanced in world opinion by the sight of unarmed civilians facing armed soldiers," he told Knesset members Tuesday.

Defense Minister Yitzhak Rabin estimated that the unrest could continue for months. "We will be energetic in our consultations with leaders in both Israel and the Arab community as we seek to spur a new drive toward peace," The Associated Press reported.

See ISRAEL, Page 2

SEC Study Opposes Stock Swing Limits

Compiled by Our Staff From Dispatches

WASHINGTON—The Securities and Exchange Commission, in its report on the October stock market collapse, said Tuesday that it opposed broad price limits on stocks traded on U.S. exchanges, but said that brief halts in trading in times of volatility warrant consideration.

The regulatory body for the U.S. securities industry also said that computerized trading strategies, which have become increasingly popular, are stopping program trading for their own accounts. Page 7.

Some firms, though not the biggest, are stopping program trading for their own accounts. Page 7.

often blamed for October's crisis, were not solely responsible for the plunge, but "had an indirect negative effect" on the market.

The 900-page analysis of the Oct. 19 collapse reached many of the same conclusions that a presidential task force formulated a month ago. Unlike that panel, however, the SEC did not call for a new agency to oversee all financial markets.

Nicholas F. Brady, the head of the presidential commission, said Tuesday in a statement delivered to the Senate Banking Committee that the Federal Reserve Board, the U.S. central bank, must play an active role in overseeing American financial markets and drawing up uniform trading guidelines.

But Alan Greenspan, chairman of the Federal Reserve, told the committee that the Fed does not favor becoming a super-regulator with responsibilities for coordinating the Securities and Exchange Commission and the Commodity Futures Trading Commission.

Mr. Greenspan blamed the stock collapse primarily on excessively high share prices that were not warranted by market conditions.

The SEC report did call for a study of increased margins, or down payments, for buying stock-index futures, and it proposed the creation of a special trading station for the buying and selling of stock-index contracts. But it did not propose a specific margin requirement for index trades.

See SEC, Page 13

Indicators Fall 0.2% In U.S.

Figures Buttress Signs of Slowing Economic Growth

Compiled by Our Staff From Dispatches

WASHINGTON—The U.S. index of leading economic indicators fell 0.2 percent in December from November for the third consecutive monthly decline, the government said Tuesday. The figures were further evidence that an economic slowdown, if not a recession, lies ahead.

Analysts said that the downturn was consistent with forecasts of flagging economic growth. However, economists were not alarmed by the three-month dip in the Commerce Department's composite index because, they said, the index does not properly measure some of the strongest segments of the economy.

In other developments, the Commerce Department said Tuesday that an unprecedented plunge in sales of new single-family homes in the northeastern United States pushed down nationwide sales by 6.2 percent in December, and several major U.S. banks lowered their prime lending rates by a quarter percentage point, to 8.5 percent. (Page 7.)

These factors combined to buoy bond and stock prices in afternoon trading on Wall Street, but weighed on the dollar, which closed lower in Europe and in New York (Pages 8, 13).

Economists noted that while the leading index has fallen for three months, the December and October declines were small and could well be revised upward in coming months as new data become available.

Meanwhile, political experts said that the December report could be a bad omen for Republican prospects of winning the November elections.

"A recession is the best indication a Democrat will be elected, and prosperity is the best indication a Republican will be elected," said Stephen Hess, a Brookings Institution analyst. "It's almost that simple this year."

The drop in the December composite index followed revised declines of 1.2 percent in November and 0.1 percent in October. Originally, the department's Bureau of Economic Analysis reported a 1.7 percent decline in November and a 0.2 percent increase in October.

Since World War II, every recession has been preceded by at least three consecutive declines in the index. But on four occasions, a three-month fall was followed by a substantial slowdown—but no recession.

Norman Robertson, chief economist of Mellon Bank in Pittsburgh, cautioned that recession in 1988 is far from certain.

"One has to remember the decline in November was very heavily weighted by the stock market crash," he said. "Most of the other declines were small, not of a magnitude that would imply we are heading for a heavy downturn in economic activity."

Beryl W. Sprinkel, chairman of the Council of Economic Advisors, said the decline in the leading economic indicators reflects a slowing in the U.S. growth rate. "We interpret this as being a reflection of a reduced rate of growth, so it was See INDICATORS, Page 13



Nicholas F. Brady



HOSTAGE-TAKING IN ALABAMA—An unidentified man being escorted by police from a private school in Tuscaloosa, Alabama, where two gunmen complaining of the plight of homeless people took two teachers and at least 60 children hostage Tuesday. The police said a gunman later surrendered and more than 15 hostages were released. World Briefs, Page 2.

French Agent Is Killed By Gunmen in Beirut

By Nora Boustany... ZAGREB, Yugoslavia (Reuters)—A member of a commission investigating the wartime activities of President Kurt Waldheim of Austria failed on Tuesday to find the original of a document allegedly linking him to deportations.

Manfred Messerschmidt, a West German historian, said that he had failed to find the original of a telegram, made public by the West German magazine Der Spiegel, in the Croatian Archives in Zagreb.

His research assistant, Zoran Jovanovic, said that he also had failed to find it in the Yugoslav Archives and the Military History Institute in Belgrade.

When he was shot, he had just left an hour-long meeting with top officials at the Sûreté Générale, the Lebanese security police.

Mr. Merrin was followed by three gunmen in a Peugeot who was driving in a red BMW toward the Christian suburb of Dora. The gunmen chased his car, drew near and shot him three times, in the head and stomach, witnesses said.

French Agent Is Killed By Gunmen in Beirut

Merrin as a security official at the French Embassy. He often consulted with Lebanese experts on security measures.

No one claimed responsibility for the killing. Mr. Merrin was the fourth Frenchman to be shot to death in the Beirut area since Oct. 29, when two embassy guards were assassinated and a third critically wounded while shopping. On Nov. 11, a French engineer, Richard Gimpel, was shot as he drove along a coastal highway north of Beirut and died several days later.

Hostage Keeps Children... A French hostage, Jacqueline Valente, said in a videotape released Tuesday by her Palestinian captors that she has refused to let her two daughters join their father in France. The Associated Press reported from Beirut.

The girls, Virginia Bettele, 5, and Marie-Laure Bettele, 6, are in good health. Ms. Valente said. Their father, Pascal Bettele, is separated from Ms. Valente.

Ms. Valente, 30, and her daughters are held by guerrillas of the Abu Nidal group, the Fatah Revolutionary Council. The group, which also holds five Belgians, said in November that it had seized the eight hostages aboard a French boat off the coast of the Israeli-occupied Gaza Strip.

In Ancient Iraqi Town, Seeds of Modern Conflict

By Alan Cowell... NAJAF, Iraq—Some of Islam's holiest and most ancient shrines are here, in this small town in Iraq. And the seeds of modern conflict were planted here, too, to spread across Iran and much of the Arab world.

Here, for 14 years before revolution seized Iraq, Ayatollah Ruhollah Khomeini lived and pondered in exile, honing the bellicose theology that suffused his drive to oust first Shah Mohammed Reza Pahlavi and now the secular leadership in Baghdad that once gave him sanctuary but in 1978 expelled him.

Here, too, the Shiite Muslims form a majority of Iraq's 15 million people come to bury those who will fight no more—soldiers for whom the seven-year war has yielded brief status as martyrs to the cause of the regime's survival.

Each day, even when no major offensive is under way, the coffins arrive, two or three each hour. They are offered for prayer and then the dead, still clad in the uniforms in which they fell, are buried at Najaf's cemetery, reputedly among the largest in the world.

Najaf and Karbala, 50 miles (80 kilometers) to the north, also high-light, in the splendor of their shrines, the delicate and complex relationship between Shiite Islam and the leadership of President Saddam Hussein. The regime is composed largely of people who, like the president himself, have a Sunni Moslem heritage and a secular ideology.

The towns, with their domes and minarets ablaze with gold beyond most dreams, are particularly sacred to Shiites, for whom they rank only after Mecca and Medina as the most venerated in their faith.

In Najaf is the tomb of Imam Ali, son-in-law of the prophet Mohammed, whose death in the seventh century led to the great schism between Sunni and Shiite, while the shrines of his sons offer near-equal splendor in Karbala.

All three shrines, covered in intricate tile of blues and yellows, are designed as mosques surrounded by walled courtyards, whose doors the faithful kiss and adorn with tufts of their clothing.

Virtually all of Iran's 45 million people and more than half of Iraq's people are Shiites. So, after the Islamic Revolution of 1979, and the Iraqi invasion of Iran, Ayatollah Khomeini calculated that a common faith would bind the Arab Shiites of Iraq and the Persian Shiites of Iran together to overthrow the Baghdad regime.

Ayatollah Khomeini had never traveled outside Najaf, and was unfamiliar with conditions elsewhere in Iraq. In response to his call, riots erupted in Najaf, in Karbala and in parts of Baghdad, but they were crushed with the ruthlessness that marks the regime, and a leading Shiite clergyman was executed.

Since then, the call to Iraq's Shiites to support Iran has failed to erode the will of Baghdad's army, whose men are mostly Shiite.

"If this war has thus far proved anything," said a Western diplomat in Baghdad, "it is that nationalism is stronger than religion."

Still, Mr. Hussein has moved cautiously toward his land's dominant religion, seeking credentials as a Moslem, both for the benefit of his own population and to placate Arab backers such as Saudi Arabia who show a greater reverence toward the laws of Islam.

The walls of Imam Ali's shrine See SHITES, Page 2

The Vitamin ABCs: Too Much of a Good Thing

By Barry James... A report that vitamins can make children more intelligent has sparked a health fad in Britain—one that doctors warn is potentially dangerous.

Many pharmacies and supermarkets have sold out of vitamin and mineral pills since the report appeared almost two weeks ago. Suppliers are rushing in stocks from Europe and the United States to meet the demand.

Doctors have issued warnings that, even if one vitamin pill a day makes a child brighter, 10 pills a day are not going to have 10 times the effect. Vitamin overdoses can be poisonous, they say.

The report, which appeared in the British medical journal Lancet, was jointly written by David Benton, a psychologist at Swansea University, and Gwilym Roberts, a science teacher at a secondary school in Wrexham in Wales.

others were given placebos and another 30 in a control group took nothing. The Lancet report said the children on vitamins gained an average of nine IQ points compared with the children in the other groups.

"I would never have bet on anything like this before we began the experiment," Dr. Benton said in a telephone interview.

The study has provided the nutrition business with considerable food for thought. Some nutritionists say it was unscientific. They question the intrusion of a psychologist onto their turf and say some of the substances given the children have no proven scientific value.

The next issue of Lancet will carry a letter from nutritionists at London University pouring scorn on the article.

Other experts, however, said that the experiment seemed sound, and that it reflected views commonly held by doctors in the food-short years following World War II.

"Children who do not eat a good healthy diet might benefit from taking a vitamin supplement," said Dr. Alan Stewart, information officer of the British Society for Nutritional Medicine.

Many children, he said, grow up on a diet of junk food, lacking nutrients that are important in affecting mood and concentration. Dr. Stewart added that nutrition standards in Britain had fallen since budget cuts by the Conservative government earlier this decade reduced financing for the traditional school lunch.

He said the experiment in Wales "was a well-done study that has raised the possibility that in certain parts of the United Kingdom there are children who are not eating well enough to get the best out of their education."

Robert Woodward, the pharmacist who developed the formula used in the experiment, said in a telephone interview that the children were given two tablets, one mostly vitamin C and the other containing "not particularly high" doses of 27 other ingredients, including natural vitamins, minerals such as iron and zinc, and trace elements commonly found in food.

Dow Jones Industrial Average table showing Dow Jones, S&P 500, and Nikkei values.

The Dollar table showing exchange rates for various currencies.

Carlucci Dismisses Shevardnadze Assertion on INF Treaty

By Helen Dewar
Washington Post Service

WASHINGTON — Defense Secretary Frank C. Carlucci has dismissed as "pure propaganda" a Soviet assertion that the United States would undercut the INF Treaty if NATO pursues plans to upgrade its arsenal of nuclear weapons permitted under the pact.

Mr. Carlucci's response to an attack on North Atlantic Treaty Organization plans last month by the Soviet foreign minister, Eduard A. Shevardnadze, came as the Senate Foreign Relations Committee began its second week of hearings on the treaty to eliminate medium- and short-range nuclear missiles.

Mr. Shevardnadze warned during a recent visit to Bonn that plans under discussion by NATO to upgrade nuclear arms allowed by the INF Treaty would "scuttle everything that has been achieved in the sphere of nuclear disarmament."

On Monday, before the Senate Foreign Relations Committee, Mr. Carlucci had been prepared to defend the treaty against earlier criticism from Senator Jesse Helms, Republican of North Carolina, but he ended up defending his record at the Central Intelligence Agency against assertions by Mr. Helms concerning treaty verification.

Mr. Helms said the CIA had failed to predict Soviet violations of the unratified SALT-2 treaty while Mr. Carlucci was deputy director of the agency, raising questions about the defense secretary's assertions now that the INF Treaty is verifiable.

Mr. Carlucci defended the agency's record in assessing Soviet capabilities and said the violations had not been detected when they occurred, denying Mr. Helms's assertion that the CIA had covered up the SALT-2 treaty was fully verifiable. Their exchange came amid another clash between Mr. Helms and

committee Democrats over an earlier assertion by Mr. Helms that the Soviets are probably already cheating on the INF Treaty by hiding medium-range SS-20 missiles.

Senator Paul S. Sarbanes, Democrat of Maryland, accused Mr. Helms of misquoting from an article on Soviet buildup plans, and Mr. Helms responded by accusing Mr. Sarbanes of "nit-picking."

In testimony on the INF accord, Mr. Carlucci said the treaty and its negotiating record spell out clearly that both sides can modernize weapons that fall outside the 300-mile to 3,400-mile (500-kilometer to 5,500-kilometer) range prescribed by the agreement, although he added that the treaty probably would prohibit any weapons modernization within that range.

"I think it's very important we go ahead" with the permitted weapons development, said Mr. Carlucci, who urged in a report to Congress last week that it lift restrictions on

new nuclear missiles and artillery shells for deployment in Europe.

Mr. Carlucci also contended that failure to ratify the INF agreement would lead to expansion of Soviet nuclear weapons in Europe without assuring continued deployment of similar U.S. weapons.

While the Soviets would be likely to continue building up their European nuclear forces, including advanced new weapons, he said, Senate rejection of the INF Treaty would make it politically difficult for West European countries to reverse themselves again to allow U.S. missiles on their soil.

"It would be like fighting the deployment battle all over again," he said in reference to disputes over Pershing-2 missiles in Europe during the early 1980s.

Galvin Supports Treaty

NATO's top military commander, General John R. Galvin, said Tuesday that the INF Treaty will not undercut the alliance's ability to maintain peace in Europe, The Associated Press reported from Washington.

"The treaty, if ratified, will still allow me to carry out my mission, which is to maintain deterrence," General Galvin told the Senate Armed Services Committee.

His predecessor as NATO commander, General Bernard W. Rogers, told the panel on Monday that the treaty "has the potential to accelerate the Soviets' achievement" of their objective of being able to "intimidate, coerce and eventually neutralize the West European nations without having to fire a shot."

General Galvin agreed that NATO needs to improve its conventional forces, but said there still is "a real deterrent to the Warsaw Pact in Europe."

"I'm not delighted that we have fewer nuclear weapons," he said, "but the Soviets will give up some weapons, too." The general has ad-

WORLD BRIEFS

Gunmen Take Over Alabama School

TUSCALOOSA, Alabama (UPI) — Two gunmen, wearing ski masks took over a private school here Tuesday and held two teachers and at least 60 children hostage while one of the men detailed a series of complaints against the government, the authorities said. One of the captives later surrendered, and more than 15 of the hostages were released.

A police spokesman said the gunmen at the West End Christian School demanded to meet with President Ronald Reagan, Governor Guy Hunt and Mayor Al DuPont, and spoke of the plight of homeless people.

The authorities identified the man who had not surrendered as James Harvey, a Vietnam veteran with a history of mental illness. He released a second group of hostages but still held some students and two teachers. The incident occurred a day after two armed American Indians took over a newspaper in Lumberton, North Carolina, and held the staff hostage. That incident ended after Governor James C. Martin agreed to investigate charges of corruption in local law enforcement agencies.

East German Dissidents Are Released

BERLIN (Reuters) — East Germany sent four activists to West Germany on Tuesday and a lawyer said the dissidents held since a threatened protest last month would be freed.

Stephan Krawczyk, a songwriter, and his actress wife, Freya Klier, were freed from custody and given exit visas, the East German news agency ADN said. The couple, who had said previously that they wanted to stay to work for reform, left the country. Another activist, Bert Schlegel, and a fourth person, believed to be his girlfriend, also left.

Wolfgang Vogel, a lawyer who is known for having arranged spy exchanges and aiding in other cases, said: "I expect that all detainees will be released this week and be able to emigrate if they desire this." Eleven dissidents had been imprisoned — nine of whom are still in custody — after the police intervened when about 200 activists attempted to unfurl banners and join a parade Jan. 17 headed by the East German leader, Erich Honecker.

UN Reports Torture Still Widespread

GENEVA (Reuters) — Torture remains widespread throughout the world, a United Nations report said Tuesday, adding that horrifying new methods and instruments are being used to inflict torture despite UN efforts to combat it.

The document, submitted to the current annual session of the UN Human Rights Commission, said: "Allegations keep coming in from some countries where, after a change of regime, the present government has unequivocally stated that it will not tolerate torture any more."

The report, by Peter Koijmans of the Netherlands, said that last year he asked 29 countries to respond to numerous allegations of torture that he had received from different sources, and he sent reminders to 17 others on reports received in 1985 and 1986. Mr. Koijmans did not identify all the countries.

Chilean Opposition Groups Sign Pact

SANTIAGO (APF) — The majority of Chile's rightist and leftist opposition parties have signed an agreement to oppose the government candidate in a presidential plebiscite later this year, opposition leaders announced Tuesday.

Chileans will be given the choice, in an election whose date has not been set, to vote for or against the military's presidential candidate, who is expected to be President Augusto Pinochet. General Pinochet has ruled since a coup in 1973, in which President Salvador Allende was killed.

The opposition parties, who said they would have preferred an election with more than one candidate, announced "a campaign of popular mobilization" to "assure the triumph of the 'no' vote. The accord was signed by 13 groups, including the rightist Liberal Republican Union, the Christian Democrats, the Social Democrats, the Christian Left, the Humanist Party and two Socialist groups.

Thatcher Meets Kohl on EC Farming

LONDON (Reuters) — Prime Minister Margaret Thatcher of Britain and Chancellor Helmut Kohl of West Germany sought Tuesday to avert a failure of a European Community summit meeting next week by narrowing their differences on farm policy.

Both leaders said after a two-hour meeting here that differences remained but that they had made progress on farming output. Mr. Thatcher described the talks, devoted almost exclusively to the meeting Feb. 11-12 in Brussels, as constructive, productive and held in a good atmosphere.

Mr. Kohl said that both he and Mrs. Thatcher, the two main protagonists in the EC farm budget dispute, were working to make the meeting in Brussels a success. The meeting follows one in Copenhagen in December at which no agreement was reached on controlling subsidized agricultural production and EC farm spending.

Sihanouk Quits Talks With Hun Sen

BEIJING (Reuters) — Prince Norodom Sihanouk, who has announced his resignation as president of the anti-Vietnamese Cambodian government-in-exile, says he has abandoned peace talks with Phnom Penh but will negotiate with its Vietnamese backers, the official Chinese news agency Xinhua reported Tuesday.

Prince Sihanouk told the Chinese Communist Party chief, Zhao Ziyang, on Monday that he had given up the idea of a third round of talks with Prime Minister Hun Sen, who heads the administration in Phnom Penh, because Mr. Hun Sen was "completely manipulated by his masters in Hanoi," the agency said.

A third session of talks between Prince Sihanouk and Mr. Hun Sen was scheduled in Pyongyang, the North Korean capital, in April. Prince Sihanouk said Saturday that he resigned because Sou Sen, chief of the smallest force in the three-party coalition, had accused him of treason in negotiating with Mr. Hun Sen.

TRAVEL UPDATE

Channel Ferries Disrupted by Strike

LONDON (AP) — Ferry workers defied a court order and held a one-day strike Tuesday at 12 British ports serving Ireland and continental Europe, forcing the suspension of some ferry service.

Sealink said many of its ferry crews were not working and it could not operate between Dover and Calais. But P&O European Ferries said its normally, except for some weather delays.

Belfast Car Ferries, Sealink and P&O all said they expected some ferries to Northern Ireland to be canceled because of the strike. Maritime union leaders said they were prepared to go to prison for defying a court injunction Monday that ordered the union to withdraw a recommendation to its 5,000 members to strike in sympathy with 161 dismissed seamen in the west coast port of Heysham.

A shortage of pilots and suitable planes at Air Zimbabwe threatens to ground international flights, airline sources said Tuesday. The airline began attempts Monday to recruit pilots with advertisements in the local press.

Greek taxi drivers began a two-day strike Tuesday with some protesting for higher fares and others protesting government anti-smog measures in the Athens.

Sand storms in Egypt closed airports at the southern resorts of Assiut and Luxor on Tuesday, stranding thousands of tourists. Southern Egypt was hit a day after Cairo was virtually closed by flying sand. Flights returned to normal at Cairo airport Monday night.

Black Leaders Held in Protest of Women Leave Lords on the Ropes In Protest of Homosexuality Curb

LONDON — Three women swooped down on ropes from the gallery of the House of Lords and plunged into the chamber during a noisy demonstration over a vote on Tuesday to restrict promotion of homosexuality.

The uproar broke out when the peers voted 202-122 in favor of a government-sponsored bill outlawing activities by local authorities promoting homosexuality. The new law is aimed at preventing the authorities from promoting homosexuality as a legitimate lifestyle in municipally controlled schools.

Three women slid down ropes into the ornate crimson and gold chamber while supporters in the gallery above cheered and shouted homosexual rights slogans.

While several hundred peers looked on, the women were wrestled to the floor by three ushers. The police said five women were held. "It was a pure Tarzan act," said Dame Elaine Kelleet-Bowman, a Conservative. "They flung ropes over the gallery and started slinging down them. One chap almost lost his trousers in the mêlée."

Vatican Report Calls Homelessness a Scandal

By Roberto Suro
New York Times Service

ROME — A Vatican commission called on public authorities Tuesday to ensure a just distribution of housing, condemning practices like real estate speculation that treat property as a market commodity without social value.

In a major document on homelessness, the Pontifical Commission for Justice and Peace said the global problem could not be blamed on individual misfortunes and instead denounced "structural" failings in both rich and poor societies that deny a fifth of the human race the "juridical" right to decent housing.

"From an ethical point of view," the document said, homelessness "is a scandal and one more indication of the unjust distribution of goods, originally destined for the use of all."

According to the report, Roman Catholic teachings require that all property be viewed as having "a specific social function subordinated to the right of common use" as opposed to the individual's ability to reap a profit. As a result, the document said "housing constitutes a basic social good and cannot simply be considered a market commodity."

In its strongest and most specific criticism of any one misdeed, the report says "property is at the service of the human person."

"Any speculative practice which diverts property from its function of serving the human person should be considered an abuse," it continues.

The commission is the Vatican's organization for examining the implications of social and international issues. The 29-page document was entitled "What Have You Done to Your Homeless Brother? The Church and the Housing Problem." Bishops conferences and other local church or-



Lech Walesa, leader of the outlawed Solidarity trade union, meeting Tuesday with John C. Whitehead, the U.S. deputy secretary of state, at the residence of the U.S. chargé d'affaires in Warsaw. Mr. Whitehead is on a five-day visit to Poland.

Solidarity Is Warned Not to Oppose Price Rises

United Press International

WARSAW — Leaders of the banned Solidarity trade union were summoned Tuesday by the Polish prosecutor's office shortly before he and other union leaders met John C. Whitehead, the U.S. deputy secretary of state, who is on a five-day visit to Poland.

Jacek Kuron, Tadeusz Mazowiecki and Bronislaw Geremek said they were summoned to prosecutors' offices. Two other Solidarity activists, Janusz Palubicki in Poznan and Stanislaw Weglarski in Lublin, also were warned.

Mr. Onyszkiewicz said that Zbigniew Bujak, Solidarity's leader in Warsaw, was warned Monday against opposing the price rises, which covered food, fuel, cigarettes and transportation. No details were available of what action the government had considered taking against the union leaders.

Meese Went Outside Channels on Iraqi Pipeline

By Jeff Gerth
New York Times Service

WASHINGTON — Attorney General Edwin Meese 3d told Prime Minister Shimon Peres in the fall of 1982 to deal with the president's national security adviser in discussions about Israeli backing for an Iraqi oil pipeline project, according to American and Israeli officials.

The officials said the message was contained in a letter to Mr. Peres. While it has recently come to light that Mr. Meese had written a letter to Mr. Peres, its contents had not previously been disclosed.

The letter is significant because it shows the role that Mr. Meese played in directing the communications about the pipeline to channels outside those normally used for such high-level diplomatic discussions.

The Meese letter was written after the attorney general received a

letter from the Israeli leader about the pipeline project, the officials said.

In his response, Mr. Meese wrote that Secretary of State George P. Shultz was prohibited from being involved in the pipeline project.

Mr. Shultz's former employer, Bechtel Group, was a main contractor for the pipeline project.

If normal procedures had been followed, the letter would have been referred to Mr. Shultz's deputy or some other official of the State Department. Lower-level State Department officials had been involved in negotiations on the project at earlier stages, but, according to past and present officials, the department had no knowledge of Mr. Meese's letter to Mr. Peres.

Normally, the department would receive copies of any communication between a cabinet officer and a foreign leader, and typically it would deliver such messages.

The pipeline, which was overbuilt, was planned in 1982 by a close friend of Mr. Meese, E. Robert Wallack, a California lawyer who had a financial interest in the deal. Mr. Meese said Monday that he had steered Mr. Wallack to the National Security Council staff because it seemed to him to be the appropriate government agency to handle the project.

At the time Mr. Meese wrote his letter, the National Security Council staff had sealed off the rest of the government from crucial diplomatic discussions with Israel about the project, according to government officials. It is not known whether Mr. Meese was aware of this when he wrote his letter.

Mr. Meese did not suggest that

Meese discuss the matter with other senior State Department officials, which State Department officials and a Bechtel spokesman described as the standard practice.

Mr. Meese, decrying "a cascade of misinformation" in the news media, said Monday that he played only an "extremely limited" role in securing White House aid for the \$1 billion pipeline and predicted that a federal inquiry into the deal would clear him of wrongdoing.

At the same time, Mr. Meese conceded for the first time that Mr. Wallack had sent him a 1982 memorandum that has become the focal point of an investigation by an independent counsel, James C. McKay.

It was this memo that allegedly cited a plan to make payments to Mr. Peres or his ruling Labor Party in exchange for Israel's support for the project.

The attorney general, although not specifically acknowledging that bribes were a subject of the memo, dismissed its significance and said that only 10 words of the lengthy document "have given rise to this speculation."

Mr. Meese said that he does not recall reading about any illegal acts proposed in the memo. "Indeed," he said, "as I look at the full memorandum containing those 10 words today, I do not believe that it fairly implies a violation of the law was committed or contemplated in connection with the pipeline."

The attorney general said that the memo did not specifically mention any "bribe" or "payoff" but he refused to disclose its 10 controversial words, saying the document was classified.

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Saudi Arabia Sets Road Tax
RIYADH — Saudi Arabia introduced on Tuesday a road tax of 200 riyals (\$54) a year for vehicles in an attempt to increase revenues, government officials said.

Dining Out
PARIS 2nd
INDRA AND VISHNOU
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ISRAEL: West Bank Schools and Universities Closed

(Continued from Page 1)

and Egypt. With details still not publicly circulating, politicians to the right of Mr. Shamir were warning that it would compromise national security.

Mr. Shamir's rival and partner in the government coalition, Foreign Minister Shimon Peres, noted that there were many questions, but he cautioned, "I suggest we allow things to develop."

In attempting to reopen schools and universities that had been closed in the territories through much of the past year, authorities had hoped to curtail civil uprisings. Israeli troops have killed at least 40 Palestinians since Dec. 9.

PLO Plans Trip Back to Israel For Deportees

ATHENS — The captain of a Greek car ferry said Tuesday that his vessel probably would be used to transport Palestinian deportees on a symbolic voyage back to Israel being organized by the Palestine Liberation Organization.

A member of the PLO's executive committee has said the voyage is intended as a sign that Palestinians are willing to return to their homeland peacefully and establish "a real, honorable peace" with Israel. Zaver Paloubis said his ship, the Silver Paloula, was to leave Greece on Feb. 9.

"But we have not signed the contract yet and we are still awaiting approval from the Greek government," he said.

Israel has expelled hundreds of Palestinians since it captured the West Bank and Gaza Strip in the 1967 Arab-Israeli war.

SHITES: Continuing Harvest From the Seeds of War

(Continued from Page 1)

are decorated with photographs of Mr. Hussein at prayer.

"He is fundamentally a secularist and is committed to that," the diplomat said of Mr. Hussein. "But he is willing to make gestures towards the Shiite population."

At the same time, however, the Iraqi leadership remains acutely aware of its people's dominant religion. A government ministry responsible for religious endowments keeps a tight rein on mosques and their clergy, while the secret police works to keep the mosques from becoming centers of dissent, as they became in Iran.

Perhaps the greatest anomaly is that Iraq, pitted in war against a Shiite theocracy, remains the custodian not only of shrines holy to that theocracy, but also of some Shiite Islam's leading theorists and clerics.

One of those still living in Najaf is Grand Ayatollah Abu al-Qasim al-Khufi, who arrived in 1909 and whose status as a holy man of Shiism, some argue, outranks that of Ayatollah Khomeini.

"By classical jurisprudence," said Professor Fouad Ajami, a leading Middle East scholar at Johns Hopkins University in Baltimore. "Khufi enjoys supremacy over Khomeini."

Moreover, Professor Ajami said, the Najaf-based religious leader represents a major school of Shiite thought that opposes the political activism of Ayatollah Khomeini.

"His position is ambiguous," Professor Ajami said. "He won't endorse Khomeini's activism, and he won't endorse Saddam Hussein's war either."

Beyond such considerations, the small and unkempt town that surrounds the splendorous of Imam Ali's shrine, a small industry has

U.S. Casts UN Veto

The United States has vetoed a Security Council resolution calling on Israel to abandon policies that violate the rights of West Bank and Gaza Strip residents, The Washington Post reported from the United Nations. The resolution would have also formalized a leading role for the United Nations in negotiating a settlement of the underlying Arab-Israeli dispute.

The other 14 council members voted Monday for the resolution, drafted by the British ambassador, Sir Cresswell Tickell, in his capacity as council president for January.

Clovis Maksood, the Arab League representative at the United Nations, said that "the veto will undermine the American initiative to some extent."

"While they try to satisfy Israel," he said, "the Americans will lose credibility with the Arabs."

Toxic Chemical Spills In Soviet Train Wreck

MOSCOW — About 2,000 people were evacuated and 12 rescue workers hospitalized after a train carrying a poisonous and flammable liquid derailed in Yaroslavl, on the Volga River, 150 miles (240 kilometers) northeast of Moscow, Soviet news media said Tuesday.

Seven rail cars, three of them carrying the unidentified chemical, left the tracks early Monday morning 150 yards (137 meters) from a bridge across the Volga. One tank car broke open and the liquid started flowing from a ruptured hatch.

Portugal
Rethinks
S. Pact
Aid Sought
Use Air Base

12 Black Leaders
Held in Protest of
Rage in Alabama

Women Leave Lords on the Ropes
In Protest of Homosexuality Curb

JPL/col/50

Portugal Rethinks U.S. Pact

More Aid Sought To Use Air Base

By Edward Cody

LISBON — Frustrated by declining U.S. aid, Prime Minister Anibal Cavaco Silva has decided to seek a clear guarantee of increased and sustained payments for continued use of a strategic U.S. air base in the Azores, Portuguese officials said.

Frank C. Carlucci, the U.S. defense secretary, is to hold talks with Mr. Cavaco Silva on Wednesday, a day before Portugal is entitled to demand a review of the 1983 defense agreement renewing a lease on the facility.

Diplomatic sources said the Portuguese leader plans to go ahead with renegotiation of the pact to insist on guaranteed aid levels. Mr. Carlucci has a solution to Lisbon's complaints.

The trouble over Lajes Air Base, which lies amid vital trans-Atlantic sea and air routes 1,000 miles (1,600 kilometers) off Portugal, comes only two weeks after the Reagan administration was forced to agree to withdraw 72 F-16 aircraft from Torrejon Air Base in Spain.

Similar questions have come on the horizon over U.S. bases in Greece, Turkey and the Philippines, forming a pattern of growing difficulty in maintaining American military facilities abroad.

Prospects for Mr. Cavaco's mission in Lisbon, already dim, darkened considerably with the announcement Friday that U.S. aid to Portugal, instead of being increased as demanded, is being cut back by another \$30 million.

From \$147 million in the 1987 fiscal year, aid to Portugal declined to \$117 million for the current fiscal year, which began in October, the U.S. State Department said.

This is not good news for the negotiations, a Portuguese official observed.

Mr. Cavaco Silva said after a meeting Monday with President Mario Soares that he will "defend with great force that which we consider to be the correct position of our country."

The latest cutback intensified an impression that Portugal is being taken for granted because its role as a North Atlantic Treaty Organization ally and its return to functioning democracy have taken it off the crisis list in Washington.

This impression also was heightened by the absence of a U.S. ambassador to Lisbon since December 1986, when Frank Shakespeare left, until Friday, when Edward Rowell presented his credentials.

"We feel the United States always reacts to a threat, and since we are no longer a threat, we have moved to second priority," a well-placed Portuguese official said.

Portuguese officials said the 1983 defense accord included a pledge by the United States to increase and maintain aid to Portugal in return for use of the base.

In the first year of the agreement, aid jumped as promised, from \$147.9 million to \$207.9 million in 1985. This created a benchmark by which the government in Lisbon has measured aid in subsequent years.

With congressionally imposed cutbacks, the aid level fell to \$188.9 million in 1986, then again to \$147.4 million in 1987. The recurrent declines, Portuguese officials said, amount to renegeing on the agreement.

U.S. diplomats countered that the Reagan administration sought more than was granted each year but was forced by Congress to accept the lower levels.

Reflecting frustration over the cuts, the State Department spokesman said the reductions "pose serious risks to our foreign policy and national security interests."

In addition, a U.S. official pointed out, the 1983 agreement committed the administration to do its best to raise and maintain the amount of aid, but contained no specific promise of a certain amount each year.

12 Black Leaders Held in Protest of Flag in Alabama

The Associated Press

MONTGOMERY, Alabama — Law officers arrested a state representative and 11 other black leaders Tuesday when they tried to climb a fence around the statehouse here to remove the flag of the Confederacy that flies over the dome.

Thomas Reed, a state representative from Tuskegee as well as the Alabama president of the National Association for the Advancement of Colored People, led several dozen blacks to a gate where he talked to state troopers for almost 20 minutes before attempting to climb the 8-foot (2.5-meter) high fence.

"I consider myself not violating the law of this state," Mr. Reed said. After officers pulled Mr. Reed from the fence, other members of his group, including a member of the national NAACP board, Emmett Burns, attempted to climb the fence but also were restrained.

Mr. Reed contends that the flag represents racism and oppression and said that if it was not removed he planned to "enter the Capitol grounds and climb to the top of the state Capitol dome and remove the Confederate battle flag."

AMERICAN TOPICS

U.S. Public Holidays And How They Fade

On Martin Luther King Jr. Day, Jan. 18, Charles W. Snyder noted in a letter to The Washington Post, news media provided "stories, documentaries and interviews that advance public understanding of the legacy of Dr. King. That legacy, succinctly stated, is that the rights and liberties this nation was founded to preserve should be enjoyed by all Americans, regardless of ethnic background."

In contrast, commercialism has completely overtaken the observance of the birthdays of George Washington and Abraham Lincoln, which have become merely occasions for winter sales when powdered wigs and stovepipe hats are donned. It is not a time for historical re-enactments but a time for props and hucksters.

Perhaps the contrast between the holidays is due to the fact that no one today can personally remember Washington or Lincoln, while everyone over 30 has vivid recollections of Dr. King. If so, we have all the more cause to deplore the shortness of our collective national memory. For it may come to pass that a generation from now a pitchman made up to resemble Dr. King will appear on television to say that he has had a dream about the wonderful white sale at a mall near you.

Short Takes

Parents with sons have a 9-percent lower risk of separating than parents with daughters, according to a study by the University of Pennsylvania. Part of the reason may be that "fathers are more involved in rearing their sons," said S. Philip Morgan, who directed the study. He said another factor may be that "beliefs about



SUNDAY AFTERNOON QUARTERBACKING — Tyce Thomas, 22, wearing a shower cap, plays quarterback with friends in a sandlot football game in Johnstown, Pennsylvania. Mr. Thomas has been confined to a wheelchair since an injury at the age of 4.

the importance of male role models for sons act as a deterrent in divorce."

Police in New Jersey have begun to find an apparently new form of cocaine that is cheaper, more powerful and more dangerous than crack. It has several names, the most common being "basuco." Sergeant Barry Robertson of the state police said it costs only \$1 per val, compared to \$3 or \$4 for crack. Its crude refinement process leaves high residues of lead and sulfuric acid, thus producing even more brain damage and dysfunction than crack. Both are smokable.

"Carry Me Back to Old Virginia," Virginia's official state song, is steeped in sentiment and history. But, with words like

"darkey" and "old massa," it has been widely criticized as racist. So a state General Assembly subcommittee held hearings on the issue. One witness, R. Lynwood Coffman of Edinburg, advised the subcommittee, "You knock out 'Carry Me Back' and you're going in for the next election."

Instead, he advised, "Make 'Carry Me Back' the state song emeritus and then adopt a new song. Everybody knows that when you're emeritus, nothing ever happens to you." The subcommittee has recommended, 4-1, that the assembly follow this advice. The new song proposed is "The Old Dominion," a salute to Virginia's modern potential by Adele Abrahams of Charlottesville.

There's no place like home —

make that two homes a block and a half apart — for a wandering Labrador retriever in Fairbanks, Alaska. After the dog, named Ezra, disappeared from Nicole Bevis's house, she read in the newspaper that a Labrador had been killed, and assumed it was Ezra. Then one day she opened her door and there he was. But he would disappear periodically. She never knew why until she saw her pet in Lou O'Neill's pickup truck. He said the dog had showed up at his house and had been named Prince. Since then, the two have allowed the dog to go on leading a double life. Just why he does so is unclear, except that at the Bevis house he gets dry food and at the O'Neill house he gets canned food.

Arthur Higbee

FBI Admits Surveillance Flaw

By Ruth Marcus

Washington Post Service

WASHINGTON — The director of the FBI, William S. Sessions, denied Tuesday that his agency "mounted a massive surveillance campaign against American citizens opposed to the Reagan administration policy on Central America."

He acknowledged, however, that the investigation of one liberal group "was not properly directed" in all instances.

Mr. Sessions, who has just finished three months as FBI director, offered the bureau's first detailed explanation of documents released last week by the Center for Constitutional Rights, a New York lawyers group.

The documents, obtained under the Freedom of Information Act, showed that the FBI had conducted an extensive investigation of the Committee in Solidarity with the People of El Salvador, or CISPE, in the course of which it took photographs of protesters at peace rallies and recorded their license plate numbers, investigated many unions, members and college students, and

checked up on church forums and Knights of Columbus dinners.

Mr. Sessions said the probe was prompted by tips that members of the group "were involved in covertly furnishing funds and material to a foreign terrorist organization," the Farahudoo Marti National Liberation Front, and that agents conducted only "limited investigation" of other groups "to round out or develop information on the scope of activities and influence of CISPE."

The investigation was closed in June 1985 when the Justice Department concluded that the group "was involved in political activities involving First Amendment rights and not international terrorism," Mr. Sessions said.

Mr. Sessions, a former federal judge, said field agents had been "explicitly instructed" that the investigation must not interfere with the exercise of First Amendment rights of those members who politically opposed U.S. policy in Central America.

He acknowledged, however, that field agents did not always faithfully follow those directions.

"I think you would have to say in some instances had the matter been

reviewed at that time and sensed at that time that there might have been directions that would have been different," he said.

Asked about a memorandum from the FBI office in New Orleans stating that it was "imperative" to formulate a plan of attack against the group and specifically against individuals "who defiantly display their contempt for the U.S. government," Mr. Sessions said the investigation "was not out of control but as to that particular facet, it was not properly directed."

Mr. Sessions steered away from criticizing his predecessor, William H. Webster, who now directs the CIA, under whom the investigation took place.

Margaret Ratner, an attorney with the Center for Constitutional Rights, disputed Mr. Sessions' statement about the limited focus of the investigation. She said that the FBI conducted surveillance of more than 200 groups that were supposedly linked to Committee in Solidarity with the People of El Salvador.

"When no evidence could be found," she said, "Washington told local FBI offices to dig deeper."

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Winds Turn Favorable For Kemp's Campaign

Republican Could Catch Up to Dole, Recent New Hampshire Polls Show

By Clifford D. May

GREENLAND, New Hampshire — Are the Republicans rediscovering Jack F. Kemp?

For months, the New York congressman's campaign for his party's presidential nomination spun its wheels. Conservative activists who had been expected to cheer Mr. Kemp on damned him with fustian praise. Pat Robertson and his evangelical supporters stole his fire and brimstone in Iowa. Here in New Hampshire, Pierre S. du Pont 4th got the endorsement of The Union-Leader, the influential rightist newspaper. In every poll, Vice President George Bush and Senator Bob Dole of Kansas stayed well in front.

As recently as last month, some of Mr. Kemp's advisers were kept busy publicly dispelling rumors that a withdrawal was imminent while privately conceding that the campaign was in serious trouble.

Now, however, there are signs that Mr. Kemp's campaign may at last have begun to move.

Recent polls of New Hampshire Republicans place him within striking distance of Mr. Dole, if not of Mr. Bush. And a national New York Times-CBS News Poll of likely Republican primary voters taken last weekend found a slight increase from two months earlier in the number who view Mr. Kemp favorably. There was a larger decrease in the number who view him unfavorably.

Many conservative publications and columnists have rallied — not without some ambivalence — to his cause. For example, while the right wing is still "in a quandary this year over whom to get behind," the journal Human Events said in an editorial in its Jan. 23 issue, "We feel it's important to endorse Rep. Jack Kemp."

Political analysts of varying stripes have been impressed by Mr. Kemp's daily campaign and by the television spots he has been airing in New Hampshire and Iowa.

"He's just been working hard and doing well," said Arthur Craig, a political scientist at the University of New Hampshire. "He's been up here doing retail politics, sloggling through the state picking up one vote at a time. I think he's on the move."

Many analysts quickly added, however, that they are not predicting the transformation of Mr. Kemp's favorable winds into anything resembling a storm.

In an interview on his way to Greenland, Mr. Kemp attributed his gains in the polls to the amount of time he is spending in New Hampshire and the effectiveness of his television advertising campaign.

"The attention of the voters is more acute now," he added. "They're realizing they have to make a choice."

He and his strategists say they finally are reaching key voters. For example, Mr. Kemp is making strong appeals to such passionate groups as those who want abortion outlawed and those who do not want gun controls.

In Iowa, Mr. Kemp has won the endorsement of a group working for higher Social Security benefits for "notch babies," the seven million retirees born from 1912 to 1916 who were not included in an

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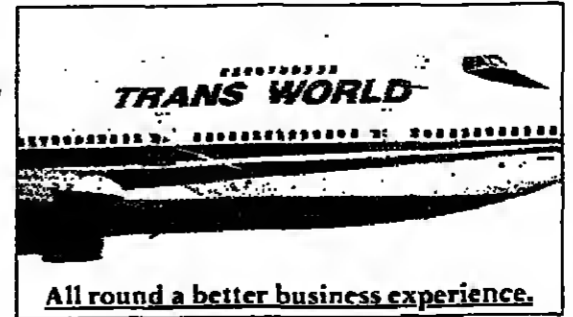
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RIEFS

Alabama School

10 gunmen wearing ski masks held two teachers and a student in a series of complete pages were released.

the West End Christian School in Birmingham, Alabama, where the school principal, Ronald Reagan, Governor George Wallace, and the school principal, C. Martin, agreed to force the gunmen to leave.

had not surrendered as they were being taken to the hospital. He released the students and two teachers, and held the staff hostage.

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INTERNATIONAL Herald Tribune

A Hard Road in Oz

Dickens, in "Great Expectations," left the impecunious Mr. Micawber sailing to Australia hoping, as usual, for something to turn up. As it celebrates 200 years of European settlement, Australia itself — Oz, to initiates — may be in a similar mood. It still has much going for it, but things are going away from it, too. Repairing the damage will put any future wizard of Oz to the test.

Recent years have seen embarrassing change. Raw materials and farming can no longer support Australians in the way to which they are accustomed. A new world commodity boom is unlikely unless the bigger industrialized countries get their own economies back in orbit. Meanwhile, Australian protection is slowly — some say far too slowly — coming down under pressure from inside and outside. Unemployment is high but so is the external deficit for goods and services. The budget deficit is excessive in relation to private saving; too much spending in an economy that needs to concentrate on adapting its position to a changing world.

Moscow and Beijing Are Mending Fences

By Robert A. Manning

WASHINGTON — It is happening incrementally, all the while discounted, if noticed at all, by the purveyors of conventional wisdom in Washington. Moscow and Beijing are resolving past antagonisms one after another, inexorably solidifying a Chinese-Soviet detente that looks much like a harbinger of a new multipolar global power equation.

Chinese-Soviet detente is a hint of a more complex world in which U.S. clout is diminished.

years. China rebuffed the offer, but Beijing's increased receptivity was suggested by the publication of Mr. Gorbachev's comments in Liaowang, a leading Chinese weekly. China-watchers in the United States have long asserted that Beijing's two top concerns — security and development — are best served by its tilt toward the West, thus limiting the parameters of Chinese-Soviet reconciliation.

The sources of Chinese-Soviet hostility — ideology, border disputes and strategic concerns — have fast begun to dissipate. When Deng Xiaoping launched his economic reforms a decade ago, Moscow denounced the new policies as "Maoism without Mao" and accused Beijing of collaborating with Washington. The Chinese, for their part, called for a "united front" against Moscow.

Now Mr. Gorbachev calls China a "great socialist power." China even sent a delegation to Moscow in November to celebrate the 70th anniversary of the Bolshevik revolution. Both countries have dropped pretensions to being the true beacon of communism, claims that first led to the animosity of the Chinese-Soviet split. Now both are seen as pluralist and have discovered much common ground, particularly as Mr. Gorbachev, too, has begun to experiment with market-oriented reforms.

Moscow will soon withdraw its troops from Afghanistan and dump its client regime. Similar movement in Cambodia is helping to reverse the image of a Kremlin on the march. The next stage of rapprochement will be a summit meeting, probably in the next 16 to 20 months. A dramatic reduction of Soviet troops along the Chinese border and the beginnings of a bilateral arms control process are likely to ensue. All this does not mean a return to a 1950s-style Communist alliance. Neither is a rollback in U.S.-Chinese ties in the cards. But it does mean that American leverage in the strategic triangle will be increasingly diminished.

The quasi-alliance between Washington and Beijing is increasingly circumscribed as China grows into the independent foreign policy it has proclaimed. China's sales of Silkworm missiles to Iran despite virulent U.S. protests, and its opposition to the Strategic Defense Initiative, hint at the limits of mutual interests.

Prefigured in Poland?

Lincoln Steffens went to view the Bolshevik Revolution of 1917 and said he held the future and it worked. In Poland today you can really see the Soviet future, and it doesn't work. The Communist government in Warsaw is conducting the Soviet bloc's most far-reaching effort at the sort of reform projected in Mikhail Gorbachev's perestroika, or restructuring, but the obstacles are formidable, and the question of the hour is whether Poland is going to explode.

price increases that, for good reform reasons, it had long planned. General Jaruzelski had to scale back the increases, raise wages to cushion part of their impact and go light on reform. Thus did he make a certain net contribution to the distress of the people — there lies the threat of riots — without the essential compensation of serving a vital structural purpose. The equation for reform is: No pain, no gain. The Polish equation is: Pain, no gain — the worst of both worlds.

The Only Way: The Dialogue of Reasonable Men

By John K. Cooley

AMMAN, Jordan — "As a rule," said that astute French observer Alexis de Tocqueville, "insurrections begin without a leader, but they always end by securing one."

Mr. Siniora told me in his Jerusalem office on Jan. 24, while checking his plane tickets for Washington: "Only weeks ago I was twice arrested and was being held by the Israeli police that I was a threat. Today, Mr. Shamir suddenly released the three-month ban he had imposed on my travel, and told me I could fly to attend a conference on the Middle East peace" in Washington.

may have raised the danger to himself. No sooner had his trip been approved than a Hebrew-language tract, resembling a police wanted poster, proclaimed Mr. Siniora "Israel's Public Enemy." Displaying his phone numbers, it urged Israelis to call and harass him. It bore a Star of David containing a fist, the emblem of Rabbi Meir Kahane's extremist Kach group, which wants all Arabs out of Israel and the occupied territories.

Meese Should Leave

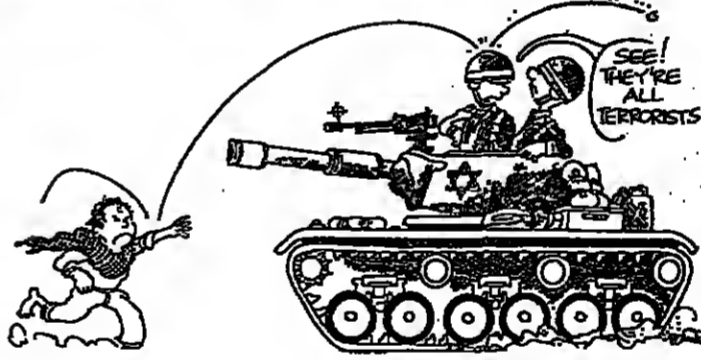
The attorney general of the United States is supposed to be an administration's chief lawyer, the counsel who helps his president faithfully execute the laws and the nation's top cop. As attorney general for the second Reagan administration, Edwin Meese seems to be spending more time under the magnifying glass of justice than wielding it. His involvement with a Middle East pipeline project promoted by his personal attorney and friend brings the latest public shame.

King Hussein meanwhile, said in an interview that the uprisings in Gaza and the West Bank, which Jordan administered before the 1967 Israeli conquest, have been an unexpected "jolt" to all concerned. "It is a time for the PLO to reassess, and it is a time for all of us to reassess," the king added. Not long afterward he met with the U.S. envoy Philip Habib and then left once again for Western Europe to seek support for an international Middle East peace conference. He said that neither he nor the Palestinian old guard headed by Yasser Arafat seemed to have any influence over the rash young leaders in the territories. This seems to open, if just a bit, a

window of opportunity. The West could now make its first real effort to unseat responsible new Palestinian leaders, with whom Israel, Jordan, Egypt, the United States and indeed the Soviet Union could — and indeed must — eventually negotiate.

Mr. Siniora may or may not have helped his cause, and that of his people, by proclaiming in Washington that the United States was ready to negotiate with him. In any case, he

Washington seems to believe that men of Mr. Siniora's caliber can still, at the popular level, talk peace, whenever a peace conference is organized. The only way out of the drift toward a new Middle East war may be a great deal of such talk between responsible men. Only in the dialogue of reasonable men can there be a chance of steering toward peace and away from a new conflict before it is too late.



By PLANTU in Le Monde (Paris). CWA Syndicate.

Other Comment

Greek-Turkish Progress The weekend summit meeting between the Greek prime minister, Andreas Papandreu, and his Turkish counterpart, Turgut Ozal, has met with a mixed response within their countries. The reaction of their allies must be more positive.

to settle tense crises and have outlined a pattern of meetings at several levels. A package of such confidence-building measures looks the best way to end the continuous tension. It will not guarantee solutions to old problems. Disputes over the Aegean [and Cyprus] will need patience, skill and diplomatic help. But if they cannot be solved in the wake of a general rapprochement, they could certainly not be solved without one.

Back to Vietnam: There Comes a Time After Battle

By Frederick Downs Jr.

WASHINGTON — One night last August I walked into a cafe in Hanoi with Bill Bell, a colleague who speaks Vietnamese and has been going to Vietnam since 1973 as part of the official team that has been trying to trace soldiers missing in action and prisoners of war.

This is the second of two articles. The writer, wounded by a land mine in Vietnam 20 years ago, returned there in August with a U.S. team exploring greater U.S.-Vietnamese cooperation on humanitarian issues.

fighting for the people of Vietnam. Today, although the government in Hanoi is not what I would like, the people still need help.

Their coldness turned to friendliness and curiosity. Maybe it's that we all share the same horrific experience of the Vietnam War.

During one trip, while driving a truck full of supplies, he had been strafed by U.S. planes three times. Each time the bullets punctured his tires. He had no patching material so he hunted frogs in the jungle, skinned them and used their hides to patch the tires.

I agreed with his political philosophy or his definition of freedom, I respected the man for his determination and sacrifice. He had fought hard because he had wanted his countrymen to have a better life.

The writer, author of two books on his experiences in Vietnam, is director of the Prosthetic and Recovery Aids Service at the Veterans Administration. He was awarded the Silver Star, four Purple Hearts, the Bronze Star for Valor and the Vietnamese Gold Cross of Gallantry. He contributed this comment to The Washington Post.

100, 75 AND 50 YEARS AGO

1888: Bismarck on War BERLIN — On [Jan. 30] Prince Bismarck received several visitors. The Chancellor said: "Russia is not yet fully prepared for war. Neither is France — for France has not yet the powder in sufficient quantities for her own rifles. Austria is not prepared. And Germany — well, I will not say whether Germany is prepared or not prepared. It will take four or five years before any of the great Powers will have attained their maximum fighting strength. ... I do not see any imminent probability of war."

The Clothes Are Getting Hot Raves

By Jim Hoagland

DAVOS, Switzerland — The Ring Class of the business world has gathered in this ski resort this week for its annual checkup. It is a moment when 800 of capitalism's senior managers meet with government economic policy makers to take their collective pulse and that of the global economy.

The mood here seems stilted and skeptical for 1988. There is a general sense that the dollar, plunge has bottomed out and recession can be avoided, but nobody wants to see those propositions tested very strenuously. U.S., Japanese and West German policy makers have been insistently offering assurances to the chief executive officers, senior money managers, investment bankers and other blue chip figures here. "It sounds like prices more than programs," a German executive said after one session.

The monetary members are being chanted at the World Economic Forum, a crash course in what is of course of central utility to the essential elite of free market economies. The texture of the gathering is quintessentially late Reagan, a blend of conspicuous power and affluence and nagging concern about the future.

Topics for briefings chosen this year by the astute conference organizers include "Protecting profits in a protectionist world," "AIDS: What it means for your company," "Social engineering as a new responsibility of the chief executive," and "Exchange rate volatility: How to make the most of it."

But the conference staple is "international coordination," the buzzword the Reagan administration has offered as a substitute for economic and monetary policy in reducing the large imbalances in world trade and in the U.S. current account, according to U.S. officials. They cite the adjustments under way in U.S. budget and trade deficits as proof that no "bitter medicine" in the form of tax increases or interest rate hikes is needed for the United States.

That belief is at the core of the plunge of the dollar. Foreign investors and speculators came to the conclusion that America's economy and currency would be weaker tomorrow than today, and they sold what they would do — they sold. Central banks had to put out \$100 billion last year to stabilize the greenback.

1938: Naval Exercises SAN FRANCISCO — Ninety-eight units of the battle fleet, which left San Francisco yesterday [Feb. 3], massed off Southern California today to begin tactical exercises relating to the defense of the coast against a theoretical enemy. This was the first day of the six-week maneuvers which will be carried out in the Aleutian-Hawaii-California triangle. Submarines theoretically mined the channel off Los Angeles Harbor. Another phase for navigation. Forty-five destroyers were put out to sea ahead of squadrons of dreadnaughts and cruisers.

Currency Market Dollar Falls 3-Year Notes Tuesday's OTC Prices

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1978-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINCIGUOR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABE, KATHERINE KNOOR and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT I. DONAHUE, Editor of the Editorial Pages RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISONS, Circulation Director • ROLF D. KRANEPUHL, Advertising Sales Director • KOURT HOWELL, Director, Information Systems International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46 37 93 00. Telex: Advertising: 61339; Circulation: 61283; Editorial: 61278; Production: 63098. Directeur de la publication: Walter N. Thayer. Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 0211. Tel: 472-7168. Tlx: RS34928. Managing Dir. Asia: Michael Glen, 30 Gloucester Road, Hong Kong. Tel: 53610616. Telex: 61170. Managing Dir. U.K.: Robin MacKichan, 63 Lang Ave, London WC2C. Tel: 836-4802. Telex: 262009. Gen. Mgr. W. Germany: W. Lautbach, Friedrichstr. 15, 1000 Frankfurt/M. Tel: (069) 726753. Tlx: 416721. Pres. U.S.: Michael Connor, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 753-3890. Telex: 421715. S.A. au capital de 1.200.000 F. RCS Nanterre B 753021126. Commission Paritaire No. 61337 © 1988. International Herald Tribune. All rights reserved. ISSN: 0294-8022.

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ARTS / LEISURE

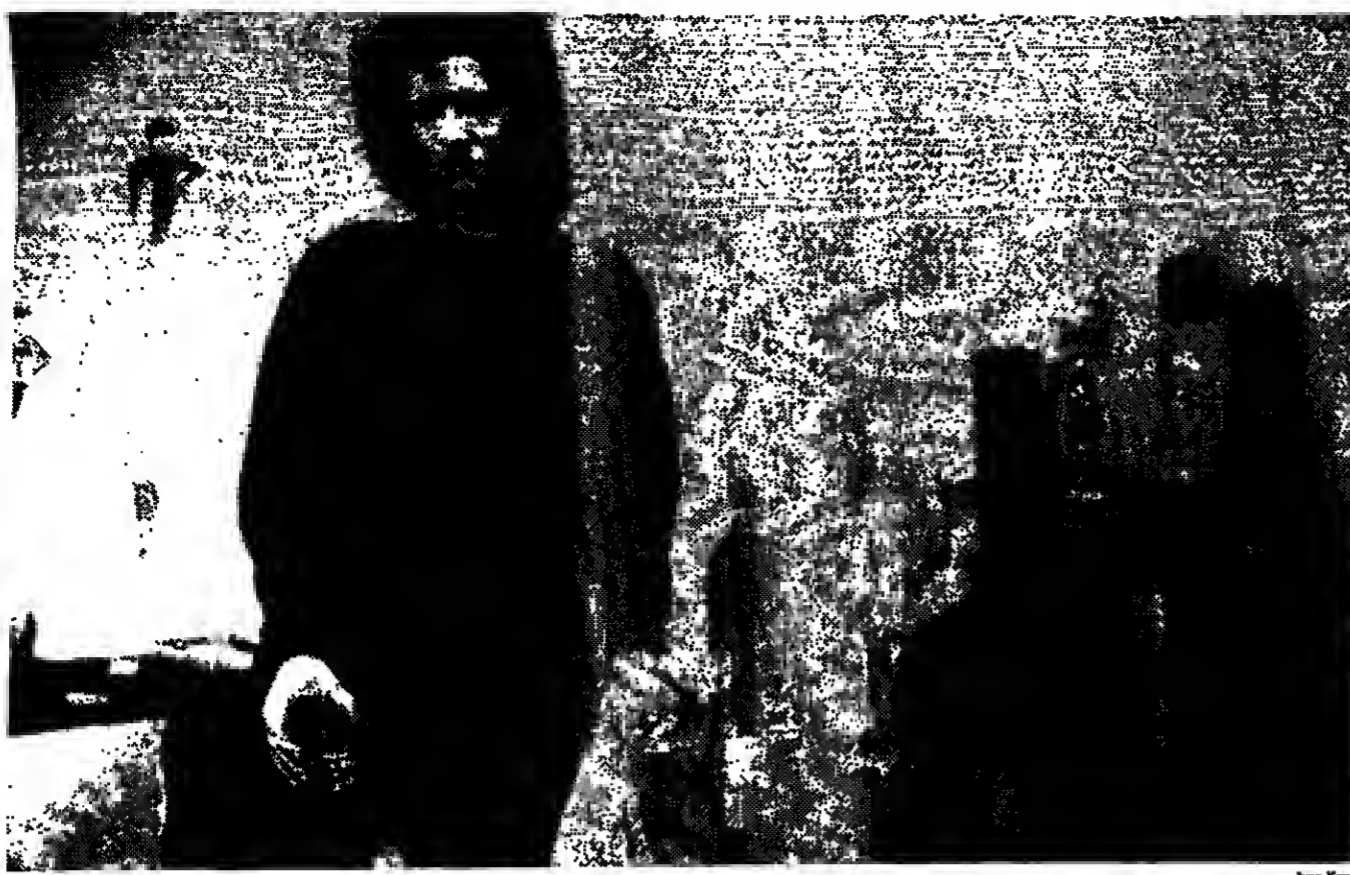
At Last, 'Secret Life' Seen

By Sheridan Morley International Herald Tribune

LONDON—Once again we have to thank Sam Walters at his 100-seat Orange Tree Theatre in Richmond for precisely the kind of major theatrical discovery that might have been made by the RSC or the National: Harley Granville-Barker's semi-autobiographical "The Secret Life," written over four years from 1919, published to grudging reviews in 1923, but only now to be seen on stage.

THE LONDON STAGE

sometimes repetitive, yet centrally concerned with the mysteries of Granville-Barker's own life and the forces that caused him to abandon the London theater that his own early Shavian productions had shaped and revolutionized, in order to dwell in a 30-year overseas exile as an academic married to a wealthy American divorcee who forbade him any renewal of his old and historic alliance with George Bernard Shaw.



Kristin Milward in "The Bitter Tears of Petra von Kant," a gentler version than Rainer Werner Fassbinder's subsequent film.

heaven is not going to be achieved by next Tuesday. Somewhere within this self-indulgent, lethargic, elegant conversation piece is a spiritual power game. To be sure "The Secret Life" lacks the dramatic intensity and immediacy of Barker's earlier "Waste," which it much resembles, but this is the play Henry James always tried to write and somehow never did.

John Clive's glossy production has Kristin Milward in subdued form as Petra, with Pauline Moran as her silent slave and Suzan Farmer and Renee Asherson in fascinatingly gracious appearances as the best friend and mother. But it is in the relationship with Frances and Folan, the ambitious model who regards Petra's obsession with her as a career move, that the play has to make its pre-AIDS case for sexual generosity, and here we seem to be uneasily thrown back into a 1930s bedroom comedy of the kind Billy Wilder might have written for Ernst Lubitsch rather than a post-war lesbian chamber drama.

world of Joseph Losey and Harold Pinter and "The Servant," created on screen 10 years before "Petra." And finally to a couple of cabarets. Late nights at the Ritz through February, "Montgomery Plant and Stricks" are a likeable close-harmony trio who specialize in a piano act built around some long-lost echoes of Gershwin before venturing closer to their Texan hometowns in search of later American classics.

There is a defiantly undergrated 1950s entertainment which for about 40 minutes would be superb. Across two hours, even with the intervention of a languid conjurer, they look more than a little overstretched, though it is worth staying to the end for a haunting song of lost movie memories called "This Isn't Casablanca." Kit Hesketh-Harvey, its writer-singer, is the man who wrote the screenplay for James Ivory's "Maurice" as well as an immensely promising musical of "Orlando." But, if London is to return to glossy cabaret, what is needed is the equivalent of the Oak Room at the Algonquin in New York, and there seems not to be one in any London hotel.

Digital Audio Cassettes Vs. the Record Industry

By Mike Zwerin International Herald Tribune

ZURICH—Yes and nay-sayers agree that there will probably be DAT in our future. Last month, GRP Records announced that it would be the first to market pre-recorded digital audio tape (DAT) cassettes outside Japan, through their subsidiary in Zurich. So DAT is in our present.

A DAT cassette is approximately half as big as the current analog cassettes and can hold up to four hours of music. Copying from a digital compact disc (CD) or from DAT to DAT involves a transfer of sound coded into numbers.

Digital sound does not degenerate when transferred. A copy will be as good as the original, as will a copy of a copy.

Inexpensive analog cassette reproduction enabled consumers to have the pleasure of listening to music of their choice throughout their daily lives.

to inhibit the recording function. Nesuhi Ertegum, president of IFPI, maintains that "Copycode is a solution" to the potential threat of DAT.

"I don't agree with the IFPI," said Larry Rosen, of GRP Records, in a telephone interview with the company's New York head office. "Copycode protection is geared to the consumer in his home. It won't stop professional pirates from mass-producing illegal copies. Everybody's against piracy, but it's totally absurd to think that putting a 'notch' in a machine is going to stop it. Any bright 12-year-old can figure out a way to bypass the Copycode. There's nothing to stop a serious pirate from setting up a bank of professional DAT recorders, which are already operating in studios, to copy Michael Jackson records."

GRP is directed by its founders, Rosen and Dave Grusin, who met in the 1960s when they were playing drums and piano, respectively, with the singer Andy Williams. Kurt Weil, the European director, is a former bandleader and trombone player. Marketing a type of music that has been called "jaz-zak," soothing swing, they have sold up to 500,000 units (L.F.s, CDs and cassettes) of a single title. Some of their most successful items feature the keyboardist Grusin, whose "Harlequin" won a Grammy. GRP's birth in 1983 coincided with the birth of the compact disc, and it calls itself "The Digital Master Company." As successful maverick businessmen — GRP's volume is more than \$15 million a year — with musicians' ears, they claim to be one of the few companies concerned with sound quality as well as sales.

Although the IFPI complains of billion-dollar losses from home taping, Rosen points out they neglect to mention that "since the advent of stereo car cassette machines and the Walkman, the industry has grown from a gross yearly volume of \$1 billion to \$4 billion. The cassette has been a major spark in that increase. Pre-recorded cassettes now account for 66 percent of total sales. This does not lead one to conclude that cassettes represent the downfall of the recording industry."

"It's also a dumb hustle. Copycode only impedes copying digital to digital. A Copycoded DAT machine can record compact discs in an analog mode, or digitally from an analog source."

"I've been experimenting with a George Benson record in both directions and in either case, as long as the source is in good condition, it's very hard even for me, supposedly an expert, to tell the difference. And a digitally recorded DAT cassette made from an analog source can be reproduced without generational loss. So you tell me, what's the point of Copycode?"

Twenty years ago the industry built new manufacturing facilities for analog cassettes. In the 1980s, there has been enormous investment in compact disc production plants. Both products involved expensive marketing campaigns to convince the retailers to add display space and the customers to spend more money. The industry is beginning to authorize and capitalize on these investments. Consumers have shelves full of analog cassettes and compact discs and piles of hardware to play them. And along comes DAT.

DOONESBURY

At the Latchmere, "The Bitter Tears of Petra von Kant" is the play that Rainer Werner Fassbinder wrote in 1971 before his more famous screenplay, and seeing it now in a new English translation by Anthony Vixis is to be surprised by how much gentler a piece it seems than the movie.

Not only is there a faintly happier ending, but the whole anguished sexual and professional struggle (with the fashion-designer of the title a lightly sex-changed version of Fassbinder himself) now seems closer to "Design for Living" than the darker psychological recesses of the German cinema.

AS I'VE SAID MANY TIMES DURING THIS CAMPAIGN, YOU GOTTA BE A LITTLE NUTS TO RUN FOR PRESIDENT—AND I MEET THE CRITERION!

SIR! I REQUEST PERMISSION TO CHUCKLE! SIR!

GENERAL NEWS

Democrats Say Reagan Plan To Aid Contras Will Not Pass

WASHINGTON — Democrats in Congress voiced confidence Tuesday that they would defeat President Ronald Reagan's request for \$362 million in new aid to the Nicaraguan rebels.

Mr. Reagan and Secretary of State George P. Shultz were at the same time lobbying strongly for the aid package.

"Continued progress toward democracy in Nicaragua and peace in Central America depends critically on U.S. support for the Nicaraguan resistance," Mr. Shultz told the House Foreign Affairs Committee.

Ex-Aide Says Noriega Sells Official Services

WASHINGTON — The Panamanian leader, General Manuel Antonio Noriega, obtained payoffs and hidden profits of millions of dollars for himself and a group of Panamanian military and civilian associates by selling government services and influence, according to a former top political adviser and aide to the general.

The general has repeatedly denied any involvement in drug trafficking or other corruption. A Noriega spokesman recently called Mr. Blandón's allegations "ridiculous."

Mr. Blandón said General Noriega and his associates derived profits and commissions from hidden interests in Panamanian businesses. In particular, he said, they are active with companies operating in the Colón Free Zone, a duty-free trading center through which millions of dollars in high-technology goods and other products are moved.

U.S. officials said Monday, however, that Mr. Blandón was close to General Noriega and that they had found him to be credible.

Mr. Blandón testified Thursday in Miami for about five hours before a federal grand jury investigating allegations that General Noriega has ties to the multibillion-dollar Latin American drug trade. Federal prosecutors are expected to seek an indictment soon, possibly this week, sources said.

According to Mr. Blandón, General Noriega has a hidden interest in a company that was hired last year by Aeroflot, the Soviet airline, to act as its agent in Panama. He said he had been told that the general had a 15-percent interest in the Panamanian company and was expected to make millions of dollars from the Aeroflot deal.

He called the administration's request adequate, although critics such as Representative Tony Coelho, a California Democrat, have said it contains hidden military costs, which may entail as much as \$76 million in spending.

Mr. Reagan met Tuesday with about 20 House members before preparing for a televised address to press his case. The address was to be broadcast live by Cable News Network, but NBC, ABC and CBS said they would not carry the speech.

Mr. Blandón said that he was speaking of the American people "on aid to the Contras." "It is my very firm belief that when the House acts on Wednesday, it will reject the president's proposal," he said.



OUR BELOVED WHO? — President Ronald Wilson Reagan and his wife, Nancy, sharing the amusement when he was introduced in error as "our beloved President Wilson" before a speech to religious broadcasters in Washington on Monday.

Carlucci Favors an MX Out of Silo and on Rails

WASHINGTON — Defense Secretary Frank C. Carlucci has told Congress that he is uncomfortable with the current deployment of MX long-range missiles in silos that are potentially vulnerable to Soviet attack.

At a Senate hearing Monday on the new INF Treaty, Mr. Carlucci said he hoped that the United States would remove the weapons from the fixed underground launch sites and deploy them on special rail cars.

Noting that he was expressing a personal view, the defense secretary said he thought the MX missiles "ought to be taken out of the fixed silos and put on a mobile system, and I hope the Congress would support us somehow."

Mr. Carlucci, differing with congressional supporters of the Midgetman, suggested that MX missiles on rail cars would be almost as good as the Midgetman at evading attack. He said the plan to put the MX missile on rail cars "gives you almost and maybe all of the invulnerabilities of the Midgetman."

Supporters of the Midgetman say the weapon would be smaller and able to disperse faster than MX missiles on rail cars. They say that the Midgetman would be able to survive a surprise attack while MX missiles would depend on some advance warning to disperse the rail cars.

Mr. Carlucci, differing with congressional supporters of the Midgetman, suggested that MX missiles on rail cars would be almost as good as the Midgetman at evading attack. He said the plan to put the MX missile on rail cars "gives you almost and maybe all of the invulnerabilities of the Midgetman."

BAN: Soviet Crackdown on Press

(Continued from Page 1) set up printing shops and publishing houses.

At the time, the press seemed to look favorably on these enterprises as a way to overcome shortages of popular books and provide an outlet for novels and poetry turned down by Goskomizdat and its local affiliates.

Mr. Pasternak's poems are available in official publications, but like most popular works here they are in short supply. Some poems written by Mr. Gumilev, who was shot for anti-Soviet activity in 1921, were recently published in an official magazine.

The group, which includes such literary notables as the novelist Venyamin Kaverin, the poet Bulat Okudzhava, the novelist Vasili Bykov and the satirical writer Fyodor Iskhander, has applied instead to have a manuscript printed by the new official vanity press, Mr. Yefremov said the publication had run into repeated delays.

Contras Said To Sell Arms In Salvador

LOS ANGELES — A Salvadoran resistance leader has alleged that U.S.-supplied Nicaraguan guerrillas have sold weapons to the leftist Salvadoran rebels fighting to overturn the U.S.-backed government in El Salvador.

The resistance leader, Rubén Zamora, said Monday that while the leftist Farabundo Martí National Liberation Front gets most of its arms by ambushing Salvadoran government forces, some weapons come from the contras, as the Nicaraguan rebels are called.

Mr. Zamora, who is vice president of the Democratic Revolutionary Front, the political wing of the Salvadoran rebel group, said he did not know the specifics of who is selling the arms, what types of arms are being sold or how many.

Mr. Zamora said he would return to El Salvador after seven years in Mexico to pursue the political goals of the newly formed Democratic Convergence, a coalition of three opposition groups.

Mr. Zamora heads one of the groups, the Popular Social Christian Movement. He said that, unlike the Democratic Front, the Democratic Convergence is not affiliated with any military groups.

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WEDNESDAY, FEBRUARY 3, 1988

MADISON AVENUE

New IBM Campaign Theme Moves Behind the Scenes

By PHILIP H. DOUCHERTY

NEW YORK — The Wall Street Journal was so pleased about the 16-page advertising insert it carried Friday for International Business Machines Corp. that it heralded the insert with both print and radio ads of its own.

IBM will use The Wall Street Journal as it has never been used before, said the print ad in both Advertising Age and Adweek. Indeed, the tabloid-size insert is the first of its kind to be carried by The Journal in its 92 years.

The insert introduced a new advertising theme, "The Bigger Picture," created by Lord, Geller, Federico, Einstein, a subsidiary of Britain's WPP Group. The theme is intended to indicate that important things go on behind the scenes at IBM that enhance all of its products.

The Journal, which is owned by Dow Jones & Co., declined to say what IBM paid for the insert but did note that the rate card puts the price at \$499,699. The campaign will next appear as two or three-page spreads in five major-market newspapers and an array of business magazines.

The motif aims to show how IBM enhances its products.

The theme of a new campaign for CBS-TV, by Backer Spielvogel Bates, is "CBS. Television you can feel." Gene F. Jankowski, president of CBS Broadcast Group, says consumer research shows that viewers are looking for "involvement."

For "Tour of Duty," the series about Vietnam infantry combat, the line for both print and TV is, "So powerful you can feel it." For "Frank's Place" it is, "So spicy you can feel it." The word inserted for "Beauty and the Beast" is "romantic;" for "High Mountain Rangers," "gutsy;" for "Wiseguy," "intense."

If television commercials are ever granted landmark status, New York's Ritz Thrift Shop has a candidate. It shows a woman getting off a bus and going into the West 57th Street used-furs shop and emerging in a pink coat. She says in her voice-over that she says, "I don't have to be a millionaire to look like a millionaire." She responds proudly, "Oh, thank you."

That spot, created by Difuria Wergeles, has been running since September 1975, according to Keith Tauber, who runs the store. The ad has not run continually for the last 12 years, Mr. Tauber noted: for three or so years other advertising was used but it just wasn't as effective.

Historically, Mr. Tauber said, the store has been recession-proof. In bad times the bottom of the market drops out completely, but the top slides down to second hand.

Accounts

Martin Agency in Richmond, Virginia, a subsidiary of Seali McCabe, Sloves of New York, has taken over the account of Tell USA, a subsidiary of Televerket, the Swedish telecommunications company. The 1988 budget is \$2.5 million.

Doyle Graf Mabley will be doing the advertising for Reuters USA Media Group, which sells the British news agency's services to newspapers, broadcasters and magazines. The previous agency was Poppe Tyson.

Chase Manhattan Bank's credit card division has moved to Levine, Humley, Schmidt & Beaver.

People

Douglas B. Leeds has become president of Thomson-Leeds Co., which has been acquired by the Ogilvy Group.

Michael J. Jeary, John Kaiser Jr., J. Michael Leahy and Scott A. Rossborough have been promoted to executive vice presidents at DFS Compton, a Saatchi & Saatchi unit.

Currency Rates

Table with columns for City, Bid, Ask, and other currency rate data.

Currencies in London, Tokyo and Zurich. Rates in other centers. New York closing rates.

Other Dollar Values

Table with columns for Currency, Bid, Ask, and other dollar value data.

Forward Rates

Table with columns for Currency, Bid, Ask, and other forward rate data.

Interest Rates

Key Money Rates

Table with columns for Rate, Bid, Ask, and other key money rate data.

Asian Dollar Deposits

Table with columns for Rate, Bid, Ask, and other Asian dollar deposit data.

U.S. Money Market Funds

Table with columns for Fund Name, Bid, Ask, and other U.S. money market fund data.

Gold

Table with columns for Rate, Bid, Ask, and other gold price data.

Banks Cut Key Rate In U.S.

8.5% Prime Is At 1 1/2-Year Low

NEW YORK — Several major U.S. banks lowered their prime lending rates on Tuesday by a quarter percentage point, to 8.5 percent, reflecting a recent overall decline in interest rates.

The first cut was announced by Morgan Guaranty Trust Co. and was quickly followed by Chemical Bank, the Chicago-based Continental Illinois National Bank & Trust Co., Chase Manhattan Bank, Citibank and Manufacturers Hanover Trust Co. The new rates took effect immediately.

The major banks last trimmed the prime in early November, when it fell to 8.75 percent from 9 percent. The prime is a benchmark used by banks to set interest rates on a variety of corporate and consumer loans, including mortgages.

The cut put the prime at its lowest level since July 1986, when it fell to 8 percent from 8.5 percent.

Analysts said Tuesday's action had been expected, given the trend toward lower interest rates since the Oct. 19 stock market collapse and speculation that the Federal Reserve Bank might be easing credit to help prevent a recession in the United States.

The cut had little effect on the stock market, which was lower in early trading, but the bond market rallied, with the bellwether 30-year U.S. Treasury bond up nearly 55 cents for each \$1,000 in face value from late Monday.

"There were rumors last week" so the stock market was primed for it," said Carol A. Stone, an economist at Nomura Securities Inc.

As rates have declined in recent months, so has the banks' cost of borrowing money and paying interest on deposit accounts. The prime rate generally is a reflection of that cost of funds.

Declining interest rates often stimulate economic growth by making corporate and individual borrowing less expensive.

Morgan Guaranty's announcement followed Tuesday's report that the Index of Leading Indicators, a key U.S. economic barometer, had fallen in December for a third straight month, a possible harbinger of recession.

The cut "has no great significance for the future course of interest rates," said Jeffrey Leeds, a managing director of Chemical Bank. "Rather, it reflects conditions in the open marketplace, where conditions have been easier over the last several weeks."

Many large U.S. businesses now raise money for operations in the open markets for commercial paper and other short-term securities, and no longer depend on bank loans tied to the prime rate.

Still, the cut is significant for smaller businesses and consumers who do borrow from banks.

"There is a substantial part of the business community that borrows at prime or prime-plus rates," Mr. Leeds said. "And over the last year, the rate has increasingly affected consumer loans because most home-equity loans are tied to the rate." (AP, UPI, Reuters)

Humbler GM Listens to Customers

Car Maker Seeks To Recapture Its Market Touch

By John Houlsha

DETROIT — For decades, executives of General Motors Corp. decided themselves what kind of cars Americans wanted. But now, with GM's market share down sharply, those days are gone. At long last, industry analysts say, GM executives appear to be trying to listen to what customers are saying.

For instance, GM's Buick division recently showed dealers prototypes of cars planned for the 1991, 1992 and 1993 model years and asked them what styling and features the cars should have. Based on their comments, the division is making "major, major changes," said Edward H. Mertz, general manager of Buick. "In the past, we never told dealers what next year's products would be," he said.

Stunned by the company's loss of market share, from 44.5 percent in 1984 to 36.8 percent last year, one-arranged GM executives speak today in humbler tones.

That change in attitude, along with huge investments in new plants and production processes, may signal that GM has a chance to turn around its fortunes.

"There is cause for optimism," said David Cole, an auto industry specialist at the University of Michigan. "The road may be rocky, but they're pointed the right way."

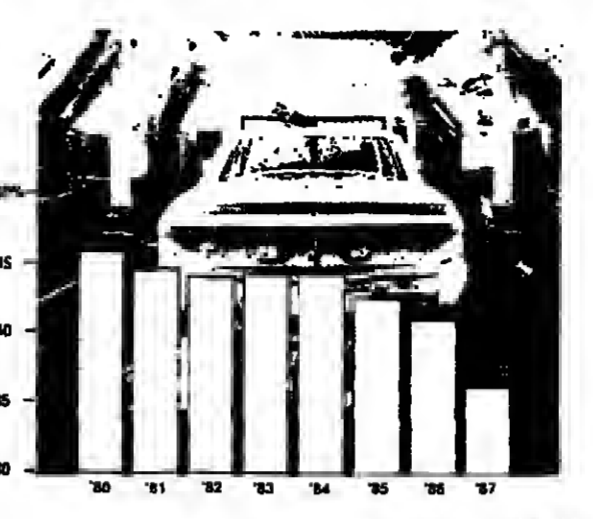
That was the theme of a three-day extravaganza that GM staged last month at the Waldorf-Astoria Hotel in New York.

Roger B. Smith, the company's chairman, said the gathering, replete with displays of technology and concepts for future models, was a "progress report" on GM's transformation.

The cost of that transformation is the reason GM has fallen behind Ford Motor Co. in earnings, GM executives argue. "GM and Ford have adopted strategies that differ in their timing

A Slipping Market Share

G.M.'s share of total U.S. new car market, including imports. Inset numbers are cars sold, in millions.



Source: Ward's Automotive Reports



Roger B. Smith, chairman of GM, argues that cost-cutting is already paying off.

and sequencing to enable them to compete in the 1990s," George C. Eads, GM's chief economist, said in a recent speech. "While to date Ford's approach has shown the quickest payoff, we are confident ours will prove superior in the long run."

Although GM may be down, even its competitors, respectful of its huge resources, are hardly

counting it out. A standard line in Detroit is, "If those guys ever get organized, watch out."

Still, there is little evidence thus far of a turnaround. A major test for the company, most analysts agree, will be its new line of midsize cars, known as the GM-10 program. Two of the cars, the Buick Regal and the Pontiac Grand Prix coupé, are already on sale, but it is too soon to gauge their reception.

An Oldsmobile version of the car is to be introduced this month, with Chevrolet, four-door and station wagon variants to follow in coming years. Although the cars are essentially the same, GM is giving each model a distinctive appearance, thus hoping to avoid the "look-alike" problem that has plagued earlier lines.

The program is the biggest new product introduction at the company in years. Four assembly plants have been dedicated to the GM-10 line, indicating that the company believes it can sell

some Wall Street executives refuse even to discuss it.

Many firms that use index arbitrage for their own accounts have increased their profits even by engaging in a version of index arbitrage known as legging. Instead of creating a pure arbitrage by simultaneously buying and selling the stocks and futures, they make a bet on the direction of the market and execute one leg of the transaction minutes or as much as an hour before the other leg.

It is extremely risky but can be even more profitable than a pure stock-index arbitrage, the firms hope that their sales in one market will create downward pressure in the other market, allowing them to purchase those securities at an even lower rate. Some think that such strategies cause more volatility.

That volatility, real or perceived, has frightened away many individual investors. So in the last few weeks, executives at the Wall Street firms dependent on business from individual investors have called for a ban on index arbitrage.

At the same time, one member of the presidential commission has called on institutional investors to boycott the brokerage firms engaged in stock-index arbitrage.

Robert G. Kirby, chairman of Capital Guardian Trust Co. in Los Angeles, said his firm has cut its commissions to some of these firms by 20 to 25 percent. But so far, there has been almost no support for such a move. Despite Mr. Kirby's own actions, the sophisticated professional fund managers are ignoring his entreaties to direct brokerage commissions away from brokers who use the strategy on a proprietary basis.

Portfolio managers at the large institutions cite a number of reasons for not going along with the Kirby proposal. The chief one, many say, is that these firms are the biggest dealers on Wall Street. As fiduciaries of their clients' assets, money managers are required to try to get the best terms possible on their stock trades. To do so, they often deal with the biggest Wall Street firms.

"Our primary function is to get the best execution and research possible," said Steven A. Kroll, president of Hutton Asset Management, which invests \$30 billion in mutual funds. "As long as program trading doesn't interfere with that, it's their business, not my business."

Most Big Firms Are Not Expected to Curb Program Trading

By Anise C. Wallace

NEW YORK — Several major brokerage firms, including Shearson Lehman Hutton and Merrill Lynch, seem to be courting investors by advertising that they will no longer engage in program trading for their own accounts.

But despite the ads equating wild stock-price swings with program trading and despite a boycott of firms that trade that way by some institutional customers, it is unlikely the biggest players will be curbing their activity anytime soon.

The simple fact is that some of the largest firms on Wall Street make enormous profits using stock-index arbitrage, a form of program trading, to manage their own capital. To date, none of these big firms that actively use the strategy for their own accounts has said anything about abandoning the practice.

"We presently continue to operate as normal," said Joseph R. Schmuckler, vice president of program trading at Kidder, Peabody & Co.

In stock-index arbitrage, large amounts of stock are bought or sold to take advantage of price disparities between the stock-index futures and the stock indexes on which they are based.

The brokerage firms that are said to be the biggest users of this strategy for their own capital are Salomon Brothers, Morgan Stanley, Kidder Peabody and Goldman, Sachs. Other firms that use it on a proprietary basis are Bear, Stearns and Paine Webber. Executives at these firms either declined to comment or said they had no plans to curtail the strategy for their own account.

One program trader estimates that probably one-quarter of the overall volume on the New York Stock exchange is related to stock-index arbitrage.

For its part, the New York Stock Exchange is reluctant to ban index arbitrage outright, saying it is up to regulatory authorities to study the matter and take action if necessary. Nor did the presidential commission on the market collapse call for an end to such trading, saying instead that more coordination between regulators in all markets was necessary.

Even so, the strategy has become such a political, emotionally charged issue that

they would consider 'strategic' deals to diversify and expand their market."

What's more, he said, today's corporate raiders "are financing their bids off the strength of their own corporate balance sheets and not on the balance sheets of the companies they are acquiring," as many corporate raiders used to do.

"In 1988, the takers we'll be seeing will be distribution plays," said Jack A. Barstow, senior vice president of Grant & Co. "Black & Decker's bid for American Standard and Kodak's merger with Sterling — those are real acquisitions, with the acquirer looking to diversify into the next decade, looking for good, positive revenue streams."

But that is not to say that the individual raiders have disappeared.

Washington's Haft family are back in the takeover game, despite the \$70 million loss they incurred when the stock market collapse dashed their \$6.3 billion bid to buy Dayton Hudson Corp.

The Haft's are bidding \$840 million for Stop & Shop Cos., the owner of a chain of supermarkets and of Bradlees department stores. Asher B. Edelman has told Forster Wheeler Corp. he wants to discuss a \$575 million buyout with the company. Carl K. Icahn has filed documents with the Securities and Exchange Commission indicating he is considering raising his 14.8 percent stake in Texaco Inc. Paul A. Bilzerian finally achieved his goal of acquiring a company, winning Singer Co. for \$1.06 billion last month.

Not everyone agrees that a takeover boom is on the way. David Whitt, a managing director of Kidder Peabody & Co., said he believes fewer deals will be done primarily because there will be fewer leveraged buyouts. In leveraged buyouts, a company's assets are used as collateral to obtain financing to buy the publicly held stock of a company. The assets then are spun off to reduce the debt incurred.

Financing for leveraged buyouts has become more difficult to obtain since the stock market collapse, so there will be fewer such transactions, Mr. Wittig said.

Street officials say the reasons for the takeover activity should have been obvious.

"The situation is very simple," said Barry Friedberg, managing director of Merrill Lynch & Co. "Stocks are cheap, the dollar is down, liquidity is plentiful, and the confidence in the economy is up."

As a result, he said, "the takeover market is explosive."

"I expect takeover activity in 1988 to exceed 1987 as long as the current conditions hold," Mr. Friedberg said. "What could change that is if we have a 700 point rally in the stock market. That would definitely dampen merger and acquisition activity."

"It would also drop if the economy turns into a severe recession as compared to current prognosis of a flat or moderately down economy," he added.

Merger analysts say the boom is vastly different from the flood of acquisitions before the stock collapse. Today, for the most part, the individual corporate raiders such as T. Boone Pickens Jr. and Irwin L. Jacobs, who usually seemed more interested in turning a quick profit than in actually running a company, are being replaced as takeover investigators by large corporations.

Don Gogel, a managing director of merchant banking at Kidder Peabody, said, "The big news of this year is that when you look at the transactions completed and announced, they are almost uniformly major corporations making what

they would consider 'strategic' deals to diversify and expand their market."

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U.S. Home Sales Slumped 6.2% In December

WASHINGTON — U.S. sales of new single-family homes fell a seasonally adjusted 6.2 percent in December compared with November to the lowest annual rate in three years, the government said Tuesday.

Sales in the Northeast accounted for all of the decline, the Commerce Department said.

It was the second consecutive monthly fall, and closed out a year in which home sales fell 10.1 percent below the 1986 level.

In a separate report, the department said that construction spending for all of 1987 totaled \$348.9 billion, just \$1.15 billion more than in 1986, after accounting for inflation.

The reports gave new weight to suggestions that the U.S. economy is slowing down.

Housing is often one of the first sectors of the economy to slow before a recession begins.

The Commerce Department said sales of new homes for all of 1987 totaled 674,000, compared with sales of 750,000 in 1986.

December's weakness pushed down the seasonally adjusted annual sales rate to 603,000 units for the month, the slowest sales pace in three years.

The 6.2 percent December decline came after a fall of 2.4 percent in November to a seasonally adjusted annual rate of 643,000.

The department revised the November sales from a previously reported 1.2 percent fall.

December's annual sales rate was 21.5 percent below that of December 1986 after seasonal adjustment, the department said and the lowest since December 1984.

On a monthly basis, December's fall was the biggest since an 11.5 percent decline in May.

All of December's weakness came from the Northeast, where sales plunged a record 51.5 percent. But government analysts noted that home sales in that region had

climbed 38.1 percent the previous month.

It would probably be more accurate to average sales during November and December, they said.

This would show sales up a slight 2.5 percent from the October level.

New single-family home sales rose in the Midwest and South and were unchanged in the West in December from a month earlier, the department said.

Before seasonal adjustment, the number of homes actually sold in December totaled 39,000, down from 44,000 in November and 52,000 in October.

The average December price of \$135,800 was down from \$139,000 in November but up from \$118,900 in December 1986.

The December median price was down to \$108,900 from \$117,000 in November, but was up from \$95,000 in December 1986.

The average home price for all of 1987 rose to \$126,900 from \$111,900 in 1986, while the median price rose to \$103,900 in 1987 from \$92,000 a year earlier.

At the end of December, there were 371,000 new homes for sale, a seasonally adjusted supply of 7.4 months, the department said.

The tiny gain in construction spending, which followed a 7.1 percent increase in 1986, was the poorest performance for the construction industry since spending fell 8 percent in the recession year of 1982.

Analysts said further weakness should be expected this year because of continued high vacancy rates for apartments and office buildings, two sectors where widespread overbuilding was fueled by tax benefits.

Those benefits were reduced by the 1986 tax law.

David Wyss, an economist with Data Resources Inc. of Lexington, Massachusetts, said construction spending could contribute to an overall economic slowdown this year.

(AP, Reuters, UPI)

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NYSE Most Actives table with columns: Vol., High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 a.m. volume, NYSE new, com. close, etc.

NYSE Index table with columns: High, Low, Close, Chg.

Tuesday's NYSE Closing Via The Associated Press

AMEX Diary table with columns: Class, Prev.

NASDAQ Index table with columns: Close, Chg., Wk. Ago, Yr. Ago

AMEX Most Actives table with columns: Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Bonds, Close, Chg.

NYSE Diary table with columns: Class, Prev.

Odd-Lot Trading in N.Y. table with columns: Buy, Sell, % of Total

Dow Jones Averages table with columns: Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns: High, Low, Close, Chg.

NASDAQ Diary table with columns: Class, Prev.

AMEX Stock Index table with columns: High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Main NYSE stock listing table (left side) with columns: 12 Month High Low, Div. Yld. PE, etc.

NYSE Struggles to Post Gain

NEW YORK — The New York Stock Exchange struggled and finally managed to stage a modest advance Tuesday as negative economic news from Washington prevented any spirited celebration over a long-awaited cut in the prime lending rate.

The Dow Jones industrial average, which fell 13.59 points on Monday, rose 8.29 on Tuesday to close at 1,952.92.

Advances led declines 8 to 7 among the NYSE issues traded. Volume fell to 164.9 million shares from 210.6 million on Monday.

Analysts said the market was distracted throughout the day by concerns over the outcome of the Treasury Department's \$27 billion refunding, which began Tuesday with the sale of \$9.25 billion in three-year notes.

Hildegard Zagorski, an analyst with Prudential-Bache Securities Inc., said the market was dragged down in the early going on fears that the refunding might not go well and then recovered in the afternoon when those fears proved unfounded.

Broad-market indexes also rose slightly. The NYSE composite index rose 0.28 points to 143.61. Standard & Poor's 500-stock index rose 0.53 points to 255.57.

Before the market opened, the government said its main gauge of future economic activity — the index of leading indicators — fell 0.2 percent in December for the third straight monthly decline.

NYSE stock listing table (middle) with columns: 12 Month High Low, Div. Yld. PE, etc.

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NYSE stock listing table (right) with columns: 12 Month High Low, Div. Yld. PE, etc.

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NYSE stock listing table (far right) with columns: 12 Month High Low, Div. Yld. PE, etc.

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Vertical advertisements on the right margin including 'Quit First', 'Automaker', 'Nikko Division', 'BOT Clearing', 'INTERNATIONAL BUSINESS', 'MONTAZAN', 'NEW IN SWITZERLAND'.

Handwritten signature or mark at the bottom center of the page.

BUSINESS ROUNDUP

4 Quit First Boston's M&A Business

NEW YORK — The top executives of First Boston Corp.'s highly successful investment banking department resigned Tuesday to form their own merchant banking firm, citing policy disputes over last month's company-wide shakeup.

The departures also cast a shadow over takeover deals now being orchestrated by First Boston, such as Campeau Corp.'s \$4.2 billion hostile bid for Federated Department Stores Inc.

Electrolux Profit Up 18% in Year

STOCKHOLM — Sweden's AB Electrolux said Tuesday that its profits rose 18 percent in 1987, to 3.05 billion kronor (\$358 million) from 2.58 billion, and cited intense restructuring of its operations following an expensive expansion program.

The company said in its preliminary annual report that the 26 percent increase in sales during 1987, to 67.2 billion kronor from 53.09 billion, came mainly from its takeover of Zanussi SPA in Italy and White Consolidated Corp. in the United States, neither of which was fully taken into account in the 1986 report.

Electrolux said that markets for its main operations continued to show good volume trends during the fourth quarter of 1987.

Grand Met Ends Martell Battle With Seagram

LONDON — Grand Metropolitan PLC formally ended Tuesday its attempt to acquire Martell & Compagnie.

The British food and beverage group said it would accept the rival offer by Seagram Co., the Montreal-based distilling giant.

The two had tried for six weeks to outbid each other for control of France's second-largest cognac maker.

Martell accepted Seagram's bid of 5.25 billion francs (\$922 million) Monday, after Seagram raised its offer to 3,475 francs each for Martell's shares, from 2,975 francs.

Grand Met, which holds 21.8 percent of Martell's stock, said it would carry a \$40 million (\$71 million) profit by accepting the Seagram offer.

ABC Posts No Profit for 1987 After Loan-Loss Provisions

BAHRAIN — Arab Banking Corp., Bahrain's biggest offshore bank, said Tuesday that it was declaring no profit for 1987 after adding \$375 million to its provisions against possible Third World loan losses.

The bank, jointly owned by Kuwait, Libya and the Gulf emirate of Abu Dhabi, said its move was taken to cope with a new international trend in setting aside increased reserves against developing country loans.

It was the second offshore bank to take the move in as many days. Arab Bank International EC said Monday that it would set aside \$129 million against developing country loans, taking a loss on 1987 accounts and strengthening its capital base with new funds.

"It was a courageous move," one Gulf-based banker said of Arab Bank. "It certainly points to the way banks are thinking."

ABC said its measures would boost the bank's provisions to 22.5 percent of total loans to nations rescheduling their debt. It has previously set its provision level a secret.

A financial statement from the bank said

First Boston's M&A Business

By dipping into paid-up capital, shareholders also agreed at that time to reissue capital through new shares by early March.

Bankers said that the size of the provision, more than half the bank's paid-up capital of \$225 million, showed a new resolve to tackle the debt problem.

"If a Bahrain bank wants to make provisions and declare a loss, this is the year to do it," one banker said. "Everyone is doing the same internationally and there will be no adverse effect in the interbank market."

In the past, Bahrain's banks have pointed often to the lack of incentive in an offshore, tax-free center to make large loan-loss provisions. Banks in the United States, Britain and many other countries enjoy attractive tax relief on such provisions.

Arab Bank had been widely expected to take steps to increase its provisions, which at the end of 1986 covered just 6.3 percent of its loan portfolio. The new measures increase that to 19 percent of its \$1.15 billion of loans at the end of 1987 and the bank has geared itself to take further reserves at a later date.

GM: Automaker, Humbled by Fall in Market Share, Listens to Customers

(Continued from first finance page) one million cars a year market.

"When they bring out those four-door, they better sell or GM is in big trouble," said Leon Mandel, a columnist with Autoweek magazine. "If the GM-10 doesn't do it, what have they got?"

Early reviews of the front-drive models, which replace rear-drive cars of the same name, have been good. The Pontiac Grand Prix was named Car of the Year by Motor Trend magazine. More important, dealers report that the quality of these new GM-10 cars is markedly better than previous GM models.

The company badly needs a best seller. Many of the cars it has rolled out in the past few years, including the restyled Buick Riviera, Oldsmobile Toronado, and Cadillac Seville and Eldorado models, flopped. Sales are less than half of what they were in the previous generation.

"It has been 15 years since they had a really rock 'n' roll successful product," said John Schagen, an automotive consultant with Temple, Baker & Sloan.

"They seem to be GM people are mystified. They think they have done all the right things but the market is not responding."

Worse, the company's leadership in design has been challenged. For

GM: Automaker, Humbled by Fall in Market Share, Listens to Customers

decides it was dogma in Detroit that competing cars could not be too much different from GM's or they would risk being called "funny looking" and sales would suffer.

But Ford's rounded-styling That helped muddy brand images built up over decades. Earlier this month, Cadillac and Oldsmobile announced they were dropping their 1 models, the Cimarron and Firenza, and all five of GM's auto-

market. When the downsized Eldorado and related models were introduced, GM officials lamely said they were designed when experts were predicting that gasoline would sell for \$2.50 a gallon, even though it had fallen below \$1.

"GM had a third oil shock," said Malcolm Salter, a professor at the Harvard Business School. "The price of gasoline went down and they did not respond in time."

Industry analysts say that GM's vast resources largely shielded it from the severe recession of the early 1980s, when Ford and Chrysler Corp. closed factories and trimmed headquarters staffs to cut costs.

"Ford and Chrysler gained competitive advantage from their brush with the graveyard," Mr. Cole said.

But GM has begun to make similar moves. It has announced the closing of 11 plants that will reduce the blue-collar workforce by about 30,000. It is also cutting white-collar staff by 40,000 by the end of this year. In addition, the company has changed its executive bonus system from cash to one that focuses on long-term stock performance.

Mr. Smith argues that cost-cutting is already paying off. "The fact that we are doing better in '87 than in '86 on lower volume shows that we are getting somewhere," he said.

GM: Automaker, Humbled by Fall in Market Share, Listens to Customers

them, epitomized by the popular Taurus and Saab models, have caught on with the public.

Much of GM's sales and marketing problems appear to have stemmed from downsizing, the conversion of the company's entire fleet from an average fuel economy of 22.6 miles (36.7 kilometers) a gallon in 1980 to 26.7 miles a gallon last year.

The company is still paying for some of the expenditures of that transition period. In the early 1980s, for example, GM sold its body line of subcompact as everything from a Chevrolet to a Cadillac, although there was little difference among the cars.

Some analysts say GM's obsession with improving fuel economy, along with its internal inertia, caused it to lose touch with the

market. When the downsized Eldorado and related models were introduced, GM officials lamely said they were designed when experts were predicting that gasoline would sell for \$2.50 a gallon, even though it had fallen below \$1.

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ANNOUNCEMENTS, REAL ESTATE FOR SALE, EMPLOYMENT, LEGAL SERVICES, U.S. INVOICE IN 15 DAYS, DIVORCE IN 24 HOURS, ACCESS VOYAGES, AUTO SHIPPING, TRANSPO, ESCORTS & GUIDES, INTERNATIONAL ESCORT SERVICE, REGENCY NY, AMBIANCE, LONDON BELGRAVIA, MAYFAIR CLUB, CAPRICE-NY, LONDON KENSINGTON, PORTMAN AGENCY, CLUB PRINCESS, GENEVA ESCORT SERVICE.

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Nikko Division Is Offered CBOT Clearing Membership

NEW YORK — Nikko Securities Co. International has been offered clearing membership in the Chicago Board of Trade Clearing Corp., a move that is likely to be matched later by other Japanese firms, a Nikko official said Tuesday.

INTERNATIONAL BUSINESS OPPORTUNITIES

MONTAZAH TABARKA. We are a subsidiary company of the Société Tuniso-Sarrazino d'Investissement et de Développement (STUSD). General Promoters of the Integrated Tourist Resort of TABARKA. We are seeking: New shareholders to contribute to the increase in capital. Developers to carry out the construction of hotel units within the framework of this project.

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Table with 4 columns: Country, Currency, 1 year, 3 months. Includes Austria, Belgium, Denmark, Finland, France, Germany, Great Britain, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, East of Europe, West of Europe, Rest of Africa, Gulf States, Asia.

ESCORTS & GUIDES. INTERNATIONAL ESCORT SERVICE. REGENCY NY. AMBIANCE. LONDON BELGRAVIA. MAYFAIR CLUB. CAPRICE-NY. LONDON KENSINGTON. PORTMAN AGENCY. CLUB PRINCESS. GENEVA ESCORT SERVICE.

Tuesday's NYSE Closing

Table of NYSE closing prices for various stocks, including symbols, prices, and volume.

Table of NYSE High-Lows for various stocks, showing daily price ranges.

Table of NYSE Company Results, detailing revenue and profit for various firms.

Table of U.S. Futures prices for various commodities like wheat, corn, soybeans, and oil.

Table of U.S. Futures prices for various metals like copper, silver, and gold.

Table of U.S. Futures prices for various currencies and options.

Table of U.S. Futures prices for various grains like wheat, corn, and soybeans.

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Table of U.S. Futures prices for various food items like coffee, sugar, and orange juice.

Table of U.S. Futures prices for various metals like copper, silver, and gold.

Table of U.S. Futures prices for various currencies and options.

Table of U.S. Futures prices for various metals like copper, silver, and gold.

Table of U.S. Futures prices for various currencies and options.

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Table of U.S. Futures prices for various metals like copper, silver, and gold.

Table of U.S. Futures prices for various currencies and options.

Table of U.S. Futures prices for various currencies and options.

Milan Halts Trade In Ferruzzi Stocks
The Milan bourse halted trading Tuesday in four Gruppo Ferruzzi companies after their shares fell sharply for the second consecutive day in response to Ferruzzi's corporate restructuring plans.

Worlds of Wonder Subsidiary In Hong Kong to Be Liquidated
HONG KONG — Sourcing International Ltd., the Hong Kong subsidiary of the troubled U.S. toy maker Worlds of Wonder Inc., said Tuesday it was going into liquidation because of claims by creditors.

Former Chief Of Pan Am Will Head Continental
HOUSTON — Martin R. Shugre, former vice chairman and chief operating officer of ailing Pan Am Corp., was named Tuesday as president of Continental Airlines.

Dividends
Table listing dividends for various companies, including amounts and dates.

Spot Commodities
Table listing spot prices for various commodities like oil, sugar, and metals.

S&P 100 Index Options
Table listing S&P 100 index options prices.

London Commodities
Table listing London commodity prices.

U.S. Treasuries
Table listing U.S. Treasury bond prices.

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An individual investment outlook for 1988

Patience, Discipline and Forethought

Reflecting about the events of the recent past, investors the world over have more to consider than ever before.

What lies ahead

Given the unprecedented swings in the world's financial markets late last year, it is prudent for investors to approach 1988 with a certain degree of caution.

However, it is equally important to be in a position to take advantage of the new investment opportunities that are emerging, and this will require patience, discipline and forethought.

Time to re-evaluate

We at Merrill Lynch suggest that you carefully re-evaluate your financial goals, as well as your tolerance for risk.

You should also resolve to pursue a disciplined, informed course of action. Critically evaluate your current holdings, formulate an investment strategy based on sound information, and only make new investments that fit in with your personal goals. Being successful in today's environment will require a good deal more planning, information and flexibility than ever before.

The long view

Above all, you should stand back from recent events and adopt a broad, long-term perspective. The uncertainties of the last few months will eventually pass and investments based on sound, fundamental values will continue to be rewarding.

Gaining the advantage

During the year it will be critically important to have continuing access to the kind of expert insight that can help you keep in touch with fast-changing events.

At Merrill Lynch we offer professional guidance and service that has earned us a global reputation for standing by our clients, in good times and in bad. We have done so in recent months and we will continue to do so during the year ahead.

Backed by our financial strength and our tradition of trustworthiness, Merrill Lynch's Financial Consultants have access to global resources unparalleled in the financial world.

We remain confident in the world's financial markets and in our ability to demonstrate to you the highest degree of professionalism.

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CURRENCY MARKETS

Dollar Falls After Cut in Prime Rate

NEW YORK — The dollar closed lower Tuesday in quiet trading, under pressure after major U.S. banks cut their prime rates.

London Dollar Rates table with columns for Currency, Bid, and Ask prices for various currencies like Deutsche mark, Japanese yen, etc.

A 0.2-percentage drop in the U.S. leading economic indicators in December, the third consecutive monthly decline, added to the dollar's problems by moderating the weakness of the U.S. economy.

percent, helped accelerate the decline, but was not the catalyst. Many dealers had viewed the currency's recent rally as suspect, largely because it had fed off expectations of strong foreign demand at the Treasury auctions.

Belgium Cuts Another Key Interest Rate

BRUSSELS — Belgium's central bank lowered its key interest rate again on Tuesday, the fifth such cut in a month. It trimmed its rate for three-month Treasury certificates to 6.25 percent from 6.35 percent, effective immediately.

As Tokyo Stocks Rise, Foreign Investors Return

TOKYO — Statistics to be published Friday are likely to show foreigners as net investors in Tokyo-listed shares during January, brokers said Tuesday.

On a monthly basis, foreigners were net sellers from April 1986 until last December, but in the first week of January, the trend turned.

An influx of foreign funds in the final week of the month will show buyers ahead for the whole of January, brokers predicted.

The Nikkei average of 225 stocks has recently moved above 23,000 yen for the first time since Dec. 11. That has considerably boosted sentiment, brokers said.

A cut in the Japanese prime interest rate to 5.5 percent from 5.7 percent in late January prompted buying of financial and other interest-sensitive shares and stocks in companies

that react to changes in domestic demand. This boosted the overall market.

Recent moves by the Finance Ministry to insulate the market from wild swings have soothed edgy sentiment lingering from a jittery December, when the dollar sank below 120 yen.

On Jan. 6, news that the Finance Ministry would loosen accounting rules for special money and fund trusts sent share prices soaring 5.6 percent, or 1,200 points, that day.

Some analysts said that the return of foreigners at least partly reflected the absence of other options for investors overseas.

Nippon Telegraph & Telephone shares would be sold also, they said.

A ministry official confirmed that foreign securities houses would be allowed to co-manage the NTT underwriting.

The market has shown signs of stabilizing, but basically, the foreigners sold out of stock.

Mr. Napier said. "Lots of funds had to decide they couldn't be in cash forever."

Some funds and institutional investors sold shares heavily worldwide when markets began to plunge in October.

The yen's gains against other currencies enabled many such investors to make profits on exchange rates even though Japanese share prices themselves had fallen, if not as sharply as those in many other markets.

Analysts said that numerous overseas investors have had to increase the proportions of their holdings in Japan. If the Tokyo exchange goes up relative to other markets and foreign investors are absent, overall portfolios look lopsided.

The analysts also said that last year and for much of 1986, foreign investors had viewed Tokyo shares as overpriced when their dividends and earnings, which are low by the standards of such markets as New York, were considered.

Foreign fund managers apparently thought that speculation was helping drive up Tokyo prices despite those factors and would eventually have to stop, brokers said.

But when the international market collapse finally came, Wall Street, not Tokyo, led the way. Other markets fell further and faster than Tokyo, and have been slower in climbing back, brokers said.

With that record, and the yen and Japan's economy looking strong, what once seemed a risky bet now increasingly appears a conservative investment, brokers said.

3-Year Notes Yield 7.42%

WASHINGTON — The U.S. Treasury on Tuesday sold \$9.25 billion of three-year notes at an average yield of 7.42 percent, amid what dealers said was modest demand in the first leg of the government's \$27 billion quarterly refunding.

The Treasury said the highest accepted yield was 7.43 percent. The small gap between this rate and the average is a sign of investor demand. But bids totaling just \$2.44 billion were received, covering the Treasury's requirement by a moderate 2.4 times. Of this amount, relatively small investors accounted for only \$639 million.

Prices of seasoned Treasury issues gained as much as 1 point, or \$10 for every \$1,000 in face value, largely on the reduction in U.S. bank's prime rate.

The average yield was down from 8.03 percent at the last auction of three-year notes on Nov. 3 and was the lowest since 6.54 percent on Feb. 3, 1987. The government assigned a 7% percent coupon to the notes, sold at an average price of 99.881.

In addition to the \$9.25 billion of three-year notes sold at auction, the Treasury sold \$1.09 billion at the average price to foreign and international monetary authorities. Buying from these institutions, flush with dollars after supporting the U.S. currency on the foreign exchange markets, could decrease the amount of money the Treasury needs from private investors this quarter, analysts say.

SEC: Report Opposes Limiting Swings in Stock Prices

(Continued from Page 1) stock selling and program-trading strategies combined to accelerate the market's downward slide.

It also criticized some stock specialists at the New York and American exchanges, claiming that on Oct. 19 a "disturbing number" of the specialists, whose job it is to buy stock offered for sale when no other buyers are in evidence, "were either net sellers of stock or did not buy large quantities of stock."

The SEC suggested that the two exchanges investigate the system of specialists and devise specific standards for their activities.

Mr. Brady told the Senate committee that, without Federal Reserve oversight, "We are looking down the barrel, and the gun is still loaded." He said the Fed must help coordinate trading mechanisms among the U.S. stock and futures markets and set up "circuit breakers" or procedures for preventing

INDICATORS: Index Off 0.2%

(Continued from Page 1) Five of the nine seasonally adjusted indicators available in December contributed to the decline. They were, in order of impact, building permits; change in prices of sensitive materials, especially lumber and scrap metal; average weekly claims for unemployment insurance; stock prices; and average work week.

Four indicators were positive factors in December. From the largest to smallest contributor, they were contracts and orders for building plants and factory equipment; vendor performance; new orders for manufactured consumer goods; and money supply.

The major contributor to the November revision was change in inventories, while change in credit outstanding was the major reason for the October revision, the department said.

The index, starting at 100 in 1967, was 190.7 in December.

Tuesday's OTC Prices. NASDAQ prices as of 4 p.m., New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year. Via The Associated Press.

Table A: OTC prices for various stocks including ABB, ABC, ACD, etc. Columns include stock name, price, and change.

Table B: OTC prices for various stocks including BEE, BFG, BHI, etc. Columns include stock name, price, and change.

Table C: OTC prices for various stocks including CDE, CFG, CHI, etc. Columns include stock name, price, and change.

Table D: OTC prices for various stocks including DJE, DJF, DJH, etc. Columns include stock name, price, and change.

Table E: OTC prices for various stocks including EFG, EGH, EHI, etc. Columns include stock name, price, and change.

Table F: OTC prices for various stocks including FGH, FHI, FGJ, etc. Columns include stock name, price, and change.

and his supporters... President-elect, is... Naval Exercises... FRANCISCO — Navy... off Southern California... tactical exercises... case of the coast... six-week maneuver... California... Angeles Harbor... operation may be... put out to sea... and crew...

SPORTS

Italian Market Awash With Hype

LONDON—For some rich men there is the casino. Others' red carpets are stirred by paintings or sculptures. For the Italian, there is the far more precarious gamble of dealing in human flesh and blood of great, or almost great, soccer players.

Rob Hughes, Italy's most powerful industrialist, told me recently that nothing soothes and satisfies him more than the sight of a wide-eyed Juventus player.

Agneffi and Mantovani are among a half-dozen Italians whose wealth backs their admiration, bordering on idolatry, for soccer players. The buyers' challenge is to herd or ignore the sycophants and con-men at their feet and to win in the marketplace.



Uruguay's Enzo Francescoli, rifling a header past Pedro Pasculli of Argentina during a 1986 World Cup match in Puebla, Mexico.

All Spokes Supported Redskins' Wheel

By Tony Kornheiser Washington Post Service SAN DIEGO—No one in his proper mind could argue that this season's Washington Redskins were a dominant team.

There's no deeper, more resilient and better-coached team in the game. Neither Joe Gibbs nor General Manager Bobby Beathard should have to take another step on concrete for the rest of the winter: Football people should be lining up to toss rose petals under their feet.



Joe Gibbs, master mechanic, winning coach.

The Bears may have limped into the playoffs, but they were home and had Jim McMahon starting. The Vikings had scored 80 points, demolishing New Orleans and San Francisco, and Denver had scored 72 in its previous two playoff games.

Nets Finally Brake Road Skid

But if West had saved his airt, he would have had a fat exit with a small but then forced into the lead.

NEW YORK—The calendar said Feb. 1, but Monday was more like April Fool's Day in the National Basketball Association.

Chicago's Michael Jordan scored 37 points but Sacramento's LaSalle blocked his layup with two seconds left to preserve the Kings' 97-95 home-court victory.



Phil Henderson (here harassing Sean Tyson) had a game-high 18 points as Duke buried Clemson, 101-63, in an ACC contest Monday.

SCOREBOARD

Table with columns for Hockey (NHL Standings), National Basketball Association Leaders, College Top-20 Polls, U.S. College Results, and NBA Standings.

SPORTS BRIEFS

4 Tapped by Pro Football Hall of Fame CANTON, Ohio (AP)—Coach Mike Ditka of the Chicago Bears and three National Football League standouts of the 1970s—Fred Biletnikoff, Jack Ham and Alan Page—were selected Tuesday as the 1988 inductees into the Pro Football Hall of Fame.

Transition

BASEBALL American League CALIFORNIA—Signed Don Petry, pitcher, to a one-year contract. Agreed to terms with Jack Phipps, pitcher. Signed Yusef Yusef and Vance Lovelace, pitchers, on one-year contracts.

Advertisement for Benoit de Gorski watches, featuring a watch image and text: 'BENOIT DE GORSKI SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.'

OBSERVER

Abie's English Phantom

By Russell Baker
NEW YORK — When the English musical version of "The Phantom of the Opera" opened last week, it was already sold out until the second coming, which makes you wonder why they bothered to open it. If it were my show, I'd say, "Forget the opening; just run it."

A show you can get into until your life expectancy has expired, it seems to me, is a closed show, and all the opening in the world is not going to uncloset it.

In fact, if you really did open the thing, you might kill it. I for one get very little pleasure seeing a show for which just anybody can walk up to the box office and buy a ticket.

Some years ago I had tickets to "Nicholas Nickleby," an eight-hour test of stamina that I read about for months afterward to everybody who hadn't been able to get in.

The beauty part was that "Nicholas Nickleby" was a limited run. Unlike "Abie's Irish Rose," it would not stay around for decades enabling my friends to see it in their dotage.

They would never, never be able to see "Nicholas Nickleby." Dwelling on that thought, I sometimes had to stifle a cackle of delight.

Well, the thing closed, unseen by so many of my humiliated friends that it warmed my heart. And then — horrible die! — it opened again.

The producers, acting on the theory that one good trip to the bank vault is wonderful but two are divine, decided to relent and let the United States' billion-dollar deprived theatergoers toss their money into the kitty.

Miserable! The show failed to sell out. When word spread that anyone who wanted to see it could get a ticket, people stopped wanting to see it.

No longer did people cringe into submission postures when I told them "Nicholas Nickleby" was so splendid that the eight hours had passed as if they were but seven and a half.

Now they interrupted to say, "We thought all day was too long for a play, so decided not to go."

That was my one and only coup de theater ticket. Fortunately, my theatergoing career has toughened me to withstand the humiliations

that will occur when word gets around that I can't get in to see "The Phantom of the Opera."

"There was the time shortly after 'Oklahoma!' opened in 1943 when, as an apple-cheeked innocent who thought going to a show was like going to the movies, I walked up to the box office at the St. James Theater and said, 'One in the second balcony, please.'"

"For when?"

"For tonight, of course."

"The rest of the crowd's laughter was heard all the way to Rahway, New Jersey. When I finally got in to see 'Oklahoma!' it was 1946. It was a cynically battered man of the world. Curly had developed a pronounced potbelly and Ado Annie was old enough to say no unless they had Cadillac.

Then came 'My Fair Lady' in 1956. I had never heard of 'My Fair Lady' until somebody said it would be impossible to get a ticket until the Cuban missile crisis, which wasn't scheduled until 1962.

Generations passed before I finally saw 'My Fair Lady.' It was a revival, and through a typist's error I was invited to the first-night performance. Richard Burton came wearing a fur coat.

Afterward I rushed out to tell everybody I'd seen 'My Fair Lady' and they hadn't, but they all said they'd bet it wasn't as good as the Rex Harrison 'My Fair Lady' they'd seen back in the Stone Age.

Only after I started saying "Richard Burton was there wearing a fur coat" did I see the satisfying glint of envy in their eyes.

This line served a long time to protect me from soul-poisoners who saw all the sold-out stuff. When they started to twist the knife, I would interrupt to ask, "Was Richard Burton there?" and, watching their egos collapse, continue with, "When I saw 'My Fair Lady' Richard Burton came wearing a fur coat."

Alas, when a man recently started humiliating me because he had seen "Les Misérables," another sold-out-to-tilt-eternity show, I counterattacked with, "Was Richard Burton there?" and he said, "Of course not, he's dead."

Dreadful news. This "Phantom" starting to run forever, and Burton dead, who came wearing a fur coat: dreadful news.

New York Times Service

Melina Mercouri: Dramatizing Culture

By Elizabeth Kastor

Washington Post Service

WASHINGTON — The phone is jangling. It will not stop. "No! No! No!" Melina Mercouri moans in a voice befitting Medea. "Not with that! I cannot! I am becoming crazy, crazy, crazy!"

Somewhere, an acolyte hears and responds. The phone is heard, sacrificed on behalf of the Greek minister of culture. "I want cigarettes!" she calls. "A cigarette, so I can concentrate!"

Cigarettes appear. She inhales, luxuriates, and sinks into the fluffy couch. It has always been like this, she explains, "all my life. When you are a cinema actress, they protect you more. When you are a politician, you must be available to everyone."

And for the last 11 years, Melina Mercouri has been a politician, albeit unlike any Washington politician is used to.

At this moment, she is merely overwhelming her hotel room, but the day before she engaged the National Gallery of Art there to tell the press about the most obvious purpose for her visit — the opening of the exhibition "The Human Figure in Early Greek Art."

In purple leather skirt and jacket, black boots, massive black hair and a long swath of fur, she trailed a white rose languidly along the edge of a glass case, an exaggerated caress that spoke of fingers sliding across a beloved body. The camera flashed and flashed again as she studied with passion the model of the Acropolis and casually brought the rose to her lips, where it rested for a moment before she moved on.

The tour was led by the gallery's director, J. Carter Brown, a man of such highly bred East Coast refinement he seems to inhabit a universe where the air would be far too thin for Mercouri. Still, she managed to suck him into her world with kisses on both cheeks, the greeting "Darling!" and a hand that clutched his arm in appreciation through much of her speech.

In her hotel room, she is in black wool pants, heavy gold jewelry and a new coil of honey waves.

"It is harmony and beauty and elegance," she says of the exhibit, which covers the 11th to the 5th



Mercouri: An embracing belief in the power of art and artists.

centuries B.C. The stick-figure Homeric warriors, elemental bronze statues and monumental young men and women — the kouros and korai — with their enigmatic mouths set in what is called "the Archaic smile," are relatively unfamiliar to a world that equates Greek art with the naturalistic heroic figures of the Classical age.

"You must look at it with delicacy," says Mercouri, "with appreciation of the unique" — she utters a throaty jumble of sounds and turns to her husband, Jules Dassin, the film director.

"Uniqueness is good," he offers.

"Never with false veneration," she finishes.

When Mercouri speaks about the art and architecture that come under her jurisdiction, it is with the lush passion of a lover, so strong and expansive it negates

any questions about its authenticity. This is, after all, the woman who urged her autobiography "I Was Born Greek," making that simple statement sound like an act of defiant principle. It is the same passion she brings to the smallest encounter, that makes strangers feel like intimates and infuses her political speech — which tends toward a loving, all-embracing belief in the power of art and artists to save humanity.

"When there was a dictator in my country, who were the people who helped me then?" she asks, referring to the military junta that ran Greece from 1967 to 1973 and stripped Mercouri of her citizenship.

"It was the artists, the scientists, the intellectuals. I think they are leading the world."

Oh, wouldn't that be nice," smiles wryly.

Just past 60, Mercouri has

green eyes dense as stone, and fine movements. She slides from couch to floor and rests there, her legs curled under her. Her deep eyes are rimmed with dark eye liner and the lips slide quickly from pout to wide smile to pucker.

The strong face has settled like an aging monument, crumbling a bit around the edges but wearing the years with something between bravery and bravado.

Mercouri comes from a political family — her father held cabinet posts and her grandfather was mayor of Athens — and she says she has always felt the connection between artistic work and political expression. "When you are born Greek, you are always in a state of alert about social things."

But for many years, politics did not invade the life of the diva who for many people was synonymous with her nation.

In those years, she says, "when I became, let us say, a star — because of Dassin — he did that for me — 'then you become a little eccentric, afraid about the close-up, and they make you afraid about your health about everything. That was the only time I was a little Brechtian.'"

"You know how Brecht talks about seeing things from a distance," says Dassin. "Then the junta came and I was very much moved."

During the years that followed, the exiled Mercouri became outspoken on the subject of Greece and its people's desire for democracy. "When I came back to Greece, it became impossible not to interfere in politics," she says.

"Interfere meaning to participate," offers Dassin.

After the junta fell, Mercouri ran for parliament with the socialist PASOK party of Andreas Papandreu and lost. But three years later she won, becoming the first woman to be elected by the port town of Piraeus, where "Never on Sunday" was set.

When PASOK won the national elections in 1981, Papandreu appointed her minister of culture and set her over Greeks abroad and sports as well.

Mercouri also came on this visit to remind everyone of her dream that the 1996 Olympics will be held in Athens in honor of the centenary of the modern-day Olympics.

"We believe in Greece that it is justice to come to Greece for the 100th anniversary and make the Olympic Games," she says. "It belongs to us. And I believe the athletes would be very happy to do this."

Over the years, Mercouri has received the most attention for her campaign to bring back to Greece the marble sculptures that once decorated the Parthenon and now sit in the British Museum, where they have been since the early 19th century.

The British Museum has not been receptive to the idea of relinquishing the Elgin Marbles, one of the cornerstones of its collection, and internationally many curators worry about the precedent set by such an act.

Brown approaches the subject cautiously: "The logical conclusion of that is a very bad one. If everything goes back to its country of origin, everyone sits behind their nationalistic banners and no one understands anyone else's culture."

"That would be chaos," Mercouri agrees. "You can't do that. The thing is we speak specifically for the most famous temple in the world that was — *les Jambes, les bras, les yeux*" — she pulls at her limbs as if dismembering herself.

"Broken away," says Dassin. "It was smashed, broken, it was tragic," she says. "It strikes me very much. When you are born, they talk to you about the Parthenon, the Acropolis. Everyone in Greece thinks they have built it with their own hands. It is the symbol of peace, of so much blood."

The Greek position is that the Parthenon is a unique monument demanding a unique response, and Mercouri says she believes the British public and many political figures support her.

"When they make a Gallup [poll], we win the Gallup," she says. "If you ask me will I be alive when they come back — yes, I will be alive. And if I'm not alive, I will be reborn."

And as she says that, her voice deep and her head thrown back, it does not seem completely implausible.

PEOP

Lord Carrington

Chairman of Christie's

Lord Carrington will become chairman of Christie's International, the world's second largest auction house when he retires as secretary-general of NATO in July. It was announced Tuesday. Lord Carrington, 68, Britain's foreign secretary from 1979 to 1982, took over as the top civilian official of the North Atlantic Treaty Organization in 1984. Since 1983, he has also been chairman of the board of the Victoria and Albert Museum.

Rossano Brazzi, the 1950s Italian screen idol, has been cleared of arms trafficking charges after a three-month trial in Venice. Brazzi, 71, had consistently denied the charges. He was among 22 people acquitted. Nine defendants were found guilty of belonging to a network that supplied weapons and missiles to mercenaries and Middle East countries.

Some Labor Party officials are dismayed at the British government's decision to award a knighthood to the former U.S. Defense Secretary Casper W. Weinberger. "I don't believe it. Is he a hero?" "Are you kidding me?" said George Foulkes, a Labor member of Parliament, when he heard the news. Labor's defense spokesman in Parliament, Deszai Davies, said, "I thought the Falklands debt had been repaid when we allowed the Americans to bomb Libya from British bases." Conservative member of Parliament Edward Leigh described the knighthood as "extraordinary" and said, "Everybody knows that without private American help it wouldn't have been possible to have won the Falklands war — but I'm surprised it's been publicly acknowledged."

A Swiss-born architect, Bernard Tschumi, best known as the supervising architect of the Parc de la Villette project in Paris, has been named dean of the Columbia University Graduate School of Architecture. Tschumi, who heads his own firm with offices in New York and Paris, will begin the job on March 1, according to Columbia president Michael S. Sovern. The 44-year-old architect succeeds James Stewart Polshek. Tschumi was known primarily as a theorist until 1983, when he won a competition for the huge project on the northeast edge of Paris.

INTERNATIONAL BUSINESS MESSAGE CENTER

TODAY'S INTERNATIONAL CLASSIFIED SECTION Appears on PAGE 9

IMPORT/EXPORT BUSINESS OPPORTUNITIES
AGRICULTURAL REHABILITATION PROJECT
The Government of Sudan has obtained a credit from the International Development Association for the Agricultural Rehabilitation Project.

AGRICULTURAL REHABILITATION PROJECT
The goods and materials expected to be procured and the procuring agencies include:
Herbicides (SCB)
Insecticides (SCB)
Fuel and lubricants (SCB)
Spare Parts (RPMU)

452.5% 2 1/2 YEAR PRO FORMA RETURN OF ADVISORS SELECTED FOR OFFSHORE FUND
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